

EXHIBIT 2
FILED UNDER SEAL

1 UNITED STATES DISTRICT COURT
2 DISTRICT OF MINNESOTA
3
4 FAIR ISAAC CORPORATION,
5 Plaintiff,
6
7 v. Court File No. 16-cv-1054 (WMW/DTS)
8 FEDERAL INSURANCE COMPANY,
9 an Indiana corporation, and ACE
10 AMERICAN INSURANCE COMPANY,
11 a Pennsylvania corporation,
12 Defendants.
13

14 VIDEO DEPOSITION
15
16 The following is the video deposition of
17 RANDOLPH BICKLEY WHITENER, taken before Jean F.
18 Soule, Notary Public, Registered Professional
19 Reporter, pursuant to Notice of Taking Deposition,
20 at the law office of Fredrikson & Byron, P.A.,
21 200 South Sixth Street, Suite 4000, Basswood
22 Conference Room, Minneapolis, Minnesota, commencing
23 at 8:56 a.m., Thursday, June 27, 2019.
24

25 * * *

26 C O N F I D E N T I A L
27
28 ATTORNEYS' EYES ONLY



1 Q. This is your first time?	1 the attorneys here to prepare for your deposition?
2 A. That is correct.	2 A. No. Unless you count the conversation
3 Q. Okay. Tell me, what did you do to	3 with my wife, which said, hey, would you pretty
4 prepare for your deposition today?	4 please book me for a plane ticket to, or with the
5 A. At this point, I believe you are	5 associate at Merchant & Gould, whose name I do not
6 asking me the types of research I did, I believe	6 know, that made the hotel arrangements for me.
7 you are asking me the types of documents I looked	7 Q. Okay. What are your opinions in this
8 at; is that correct?	8 matter?
9 Q. I'm asking you what you did to prepare	9 A. My opinions in this matter only relate
10 for your deposition today?	10 to the qualitative use of software in the property
11 A. Aah.	11 casualty writing of insurance policies process, be
12 Q. Yes.	12 that writing new business or renewal, and how
13 A. A different question. Thank you. I	13 software can help in the quote, bind, book, issue
14 mounted a plane in the great State of Alabama, flew	14 process that I articulate in the reports.
15 to the great State of Minnesota, and I met with the	15 Q. Okay. So that is what your opinion in
16 attorneys present.	16 this matter relates to, correct?
17 Q. Okay.	17 A. That is what my professional opinion
18 A. I have also reviewed --	18 in this matter relates to, and what my report and
19 MR. HINDERAKER: You don't have to	19 the rebuttal speak to.
20 reveal any communications or the work product of	20 Q. Okay. And what is the opinion that
21 meetings with lawyers since you came to Minnesota.	21 you provide in this litigation?
22 BY MS. JANUS:	22 A. My opinion is that automated decision
23 Q. Okay. And continue with your answer?	23 software and business rules management systems do,
24 A. Then I will -- that will suffice.	24 in fact, contribute to creation of revenue through
25 Q. Okay. And so you reviewed documents?	25 the three primary vehicles an insurance company
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1 A. Yes.	1 uses to pursue growth, and those are speed, speed
2 Q. Okay. Which documents did you review	2 comes in two flavors, there are -- then there is
3 to prepare for your deposition?	3 ease of doing business, and then there is precision
4 A. I reviewed the original report I	4 of price.
5 wrote, dated 4-19; I have reviewed the response to	5 Q. How does automated decision software
6 the other expert witness's rebuttal of my report,	6 contribute to the creation of revenue, in your
7 that's dated 5-31; and I reread the RFI published	7 opinion?
8 by Chubb in February of 2006, I believe it was.	8 A. In my opinion, automated decisioning
9 Q. Did you do anything else or review any	9 improves speed in two ways. The first one is it
10 other materials to prepare for your deposition?	10 improves the speed of response, in terms of requests
11 MR. HINDERAKER: And, again, my	11 for quotes or in terms of processing rules. The
12 direction not to disclose the communications and	12 second is it improves the ease of doing business by
13 the work that you did in Minnesota with lawyers.	13 requiring less effort on behalf of an agent and
14 THE WITNESS: As I reread my report,	14 broker and, thereby, on behalf of their customer,
15 if I saw a footnote -- you will recall my report is	15 the applicant or policyholder, and it provides
16 highly footnoted -- and I wanted to refresh my	16 precision in pricing in that it makes sure that the
17 visual view of that document, I opened it up to	17 adequate accurate information is available to the
18 refresh my memory.	18 underwriting process and can provide, in fact, I
19 BY MS. JANUS:	19 will call it statistical actuarial guidance into
20 Q. So you looked at some of the documents	20 what the needed adequate accurate premium is for
21 that are cited in your footnotes?	21 the risk.
22 A. That is correct.	22 Q. And that statistical guidance, how
23 Q. Okay. Anything else?	23 does it provide statistical guidance?
24 A. No.	24 A. It will look at the attributes of
25 Q. Did you speak with anyone other than	25 the -- I will refer to it as the application, the
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Page 9	

<p>1 prospective risk, and it will say -- it will go 2 through a statistical model, a set of algorithms 3 that come back and say for this set of risk 4 characteristics you need X amount of premium to 5 cover the cost of the raw materials, the 6 manufacturing cost, the administrative cost, 7 et cetera.</p> <p>8 Q. Now, is your opinion in this matter 9 generally about automated decision software?</p> <p>10 A. No.</p> <p>11 MR. HINDERAKER: Objection to the 12 extent the question is vague.</p> <p>13 BY MS. JANUS:</p> <p>14 Q. You can go ahead and answer.</p> <p>15 A. My decision is based on the value of 16 automated decision software and, then, Blaze as the 17 selected automated decision software tool.</p> <p>18 Q. Okay. You provided some testimony 19 about the speed, the ease of doing business, the 20 precision of price, right?</p> <p>21 A. Correct.</p> <p>22 Q. Do you have an opinion as to those 23 matters specifically in this case?</p> <p>24 A. Yes.</p> <p>25 Q. Okay. What is that?</p>	<p>1 processing faster, does it make speed of bringing 2 new product to market faster, does it improve the 3 ability of the company in its underwriting process 4 to better define the, quote unquote, accurate and 5 precise price.</p> <p>6 Q. So you're talking about whether 7 automated decision software makes certain decisions 8 at an insurance company faster, correct?</p> <p>9 A. Not sure I understand the question.</p> <p>10 Q. You said that the quantitative 11 evaluation assesses whether the software makes the 12 speed of transactional processing faster?</p> <p>13 A. Agree.</p> <p>14 Q. Right? And whether it makes the speed 15 of --</p> <p>16 A. Agree.</p> <p>17 Q. -- new products faster?</p> <p>18 A. Agree.</p> <p>19 Q. Okay. But you have not measured 20 whether, in fact, the automated decision software 21 makes those functions faster, correct?</p> <p>22 A. That is correct. I will, however, 23 point to you that I have a significant amount of 24 gray hair and 41 years of experience, and I saw 25 this at other companies, other insurance companies</p>
<p>1 A. As I stated before, automated decision 2 software improves all three of those aspects of the 3 quote, bind, book, issue process, and Federal chose 4 Blaze Advisor®, and Blaze Advisor contributed to 5 those three things on behalf of Federal.</p> <p>6 Q. Did you measure what contribution you 7 believe Blaze had to the three things you've 8 mentioned?</p> <p>9 A. I used the term attributes.</p> <p>10 Q. Attributes?</p> <p>11 A. And that was not within the scope of 12 my responsibilities.</p> <p>13 Q. What do you mean by that?</p> <p>14 A. What is not clear about it? My -- my 15 responsibilities, as are articulated, were to 16 provide a qualitative evaluation of decision -- the 17 automated decision software and, then, Blaze 18 Advisor as that chosen automated decision software.</p> <p>19 I have never been asked to provide an assessment of 20 any quantitative numbers.</p> <p>21 Q. So when you say "qualitative 22 evaluation," explain for someone who is not in your 23 industry or has your background, what do you mean 24 by that?</p> <p>25 A. Does it make speed of transactional</p>	<p>1 for which I worked and -- no, I'll close there.</p> <p>2 Q. You also said that your qualitative 3 analysis is that automated decision software 4 improves the ability to define accurate --</p> <p>5 A. Ade -- adequate precise premium.</p> <p>6 Q. Adequate precise premium. But you did 7 not measure in this case whether Blaze Advisor 8 improved that ability to define accurate and 9 adequate price?</p> <p>10 A. I will reiterate my earlier statement. 11 I was not asked to provide any quantitative 12 analysis of any aspects of this case.</p> <p>13 Q. So the answer to my question is no?</p> <p>14 A. Correct.</p> <p>15 (Whereupon, Deposition Exhibit No. 513 16 was marked for identification, and a copy is 17 attached and hereby made a part of this deposition.)</p> <p>18 BY MS. JANUS:</p> <p>19 Q. Showing you what's been marked as 20 Deposition Exhibit 513, do you recognize 21 Exhibit 513?</p> <p>22 A. I recognize the front page and the 23 back page as the beginning and the ending of the 24 report I created.</p> <p>25 Q. Okay. Take a look at the document</p>

1 itself and let me know when you've satisfied
 2 yourself that it's a copy of your initial report in
 3 this matter.
 4 (Reporter's Note: The witness is
 5 reviewing Exhibit No. 513 for approximately two
 6 minutes.)
 7 THE WITNESS: [Witness coughing]
 8 Pardon me.
 9 (Reporter's Note: The witness
 10 continues reviewing Exhibit No. 513 for
 11 approximately five more minutes.)
 12 THE WITNESS: Finished.
 13 BY MS. JANUS:
 14 Q. Okay. Is that the expert report that
 15 you initially submitted in this matter?
 16 A. I will agree that upon cursory review
 17 this does appear to be an entirety. But, being the
 18 precise underwriter that I have been for so many
 19 years, until I laid your copy, your soft copy of
 20 the document and my soft copy of the document and
 21 ran a compare, I would not agree that it's exactly
 22 the same.
 23 Q. Okay. My question for you is, is
 24 Exhibit 513 a copy of the initial expert report you
 25 submitted in this matter?

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1 that it's not the expert report. If you're
 2 representing to us that it is, and I assume that
 3 you are, then let's proceed forward with 513.
 4 MS. JANUS: Okay, sounds good.
 5 BY MS. JANUS:
 6 Q. So we'll proceed forward with
 7 Exhibit 513 being a copy of the initial expert
 8 report you submitted in this matter, fair?
 9 A. Fair.
 10 Q. Okay. I'm going to hand you a copy of
 11 Exhibit 514.
 12 (Whereupon, Deposition Exhibit No. 514
 13 was marked for identification, and a copy is
 14 attached and hereby made a part of this deposition.)
 15 BY MS. JANUS:
 16 Q. Do you recognize Exhibit 514?
 17 A. Again, I recognize the first page and
 18 the last page as the pages of 514 that I submitted
 19 to Merchant & Gould, I will be happy to review this
 20 document in a similar fashion, if you would like.
 21 Q. Yes. I would like to know whether the
 22 Exhibit 514 is a copy of the reply expert report
 23 you submitted in this matter?
 24 (Reporter's Note: The witness is
 25 reviewing Exhibit No. 514 for approximately three

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1 A. And my answer is it appears to be.
 2 Q. Excellent. All right. Do you have
 3 any reason to think that Exhibit 513 is not a copy
 4 of the initial expert report you submitted in this
 5 matter?
 6 A. I am a witness for plaintiff, you are
 7 counselor for the defense. That leaves a question.
 8 I have no reasonable belief, based on my cursory
 9 review of the document, that it is incorrect. But
 10 I will not absolutely state that it is because I
 11 haven't taken it through the due diligence process
 12 I normally take things through.
 13 MS. JANUS: Okay. Did you come,
 14 Mr. Hinderaker, with a copy of Mr. Whitener's
 15 expert report today?
 16 MR. HINDERAKER: Sure.
 17 MS. JANUS: Okay. Can we mark that
 18 as --
 19 MR. HINDERAKER: No, you can't mark --
 20 MS. JANUS: -- Exhibit 514?
 21 MR. HINDERAKER: No, you cannot mark
 22 my working copy as Exhibit -- we can --
 23 MS. JANUS: Would you -- I mean --
 24 MR. HINDERAKER: We have no -- as he
 25 just said, there's no -- there's no reason to think

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1 minutes.)
 2 THE WITNESS: Ready.
 3 BY MS. JANUS:
 4 Q. Okay. Does Exhibit 514 appear to be a
 5 copy of your reply expert report submitted in this
 6 matter?
 7 A. It does appear to.
 8 Q. All right. Let's start with
 9 Exhibit 513, which is your initial report. On
 10 page 1, you state that you are being paid \$200 an
 11 hour for your work in this matter?
 12 A. That is correct.
 13 Q. And how much have you billed to date
 14 for your work in this matter?
 15 A. On a rounded to thousands basis,
 16 \$167,000.
 17 Q. In Information Considered, you note
 18 that you had a discussion with Bill Waid on
 19 November 12th, 2018, correct?
 20 A. That is correct.
 21 Q. Is that the only discussion you had
 22 with anyone other than the attorneys at
 23 Merchant & Gould to form the conclusions that
 24 you've reached in this matter?
 25 A. At the time of the writing of this

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<p>1 document, yes.</p> <p>2 Q. Okay. Have you had discussions with</p> <p>3 anyone other than Bill Waid and other than the</p> <p>4 attorneys at Merchant & Gould in forming your</p> <p>5 conclusions in this matter?</p> <p>6 A. My conclusions as represented by the</p> <p>7 initial report, my conclusions as represented by</p> <p>8 the rebuttal report reply, or my conclusions as</p> <p>9 stated earlier in the testimony?</p> <p>10 Q. You -- you -- your conclusions in this</p> <p>11 matter, so it's all-encompassing?</p> <p>12 A. All-encompassing. I have had a demo</p> <p>13 of the Blaze Advisor software.</p> <p>14 Q. Okay. And when did that take place?</p> <p>15 A. Earlier this week.</p> <p>16 Q. What day?</p> <p>17 A. Today is the 27th?</p> <p>18 MR. HINDERAKER: Yes.</p> <p>19 THE WITNESS: The 26th.</p> <p>20 BY MS. JANUS:</p> <p>21 Q. So yesterday?</p> <p>22 A. Yesterday.</p> <p>23 Q. Okay.</p> <p>24 A. I'm sorry, I choose to be a little</p> <p>25 more precise.</p>	<p>1 Q. Well, you were there. So I take it</p> <p>2 you know whether anyone else was present, correct?</p> <p>3 A. I know who was in the room. Thiago</p> <p>4 was not, it was a WebEx -- or some similar</p> <p>5 Internet-based tool.</p> <p>6 Q. So you -- so you were located at</p> <p>7 Merchant & Gould?</p> <p>8 A. Correct.</p> <p>9 Q. Okay. And Thiago was not at</p> <p>10 Merchant & Gould?</p> <p>11 A. Correct.</p> <p>12 Q. When did the demonstra -- dem -- we</p> <p>13 can refer to it as a demo of Blaze, when did that</p> <p>14 again?</p> <p>15 A. Yesterday at 10:00 a.m. Central</p> <p>16 Daylight Time.</p> <p>17 Q. How long did it last?</p> <p>18 A. Approximately an hour and 30 minutes.</p> <p>19 Q. Describe the demo for me?</p> <p>20 A. Be more specific, please. I --</p> <p>21 Q. I don't -- I need to know sort of the</p> <p>22 basics about what the demo entailed before I can be</p> <p>23 more specific.</p> <p>24 A. Okay. He showed me how to create</p> <p>25 rules, how to -- for lack of a better descrip --</p>
<p>Page 19</p> <p>1 Q. Who provided the demo?</p> <p>2 A. His first name was Thiago, T-H-I-A-G-O.</p> <p>3 Q. Okay. What was his last name?</p> <p>4 A. That's an excellent question, I don't</p> <p>5 remember.</p> <p>6 Q. Okay. What was his role?</p> <p>7 A. He provided the demo.</p> <p>8 Q. Where is he employed?</p> <p>9 A. He's employed by FICO.</p> <p>10 Q. Do you know what his position at FICO</p> <p>11 is?</p> <p>12 A. I do not.</p> <p>13 Q. Who was present during the -- and I</p> <p>14 take it by demo, you mean a demonstration of --</p> <p>15 A. Correct.</p> <p>16 Q. Okay. Who was present at the</p> <p>17 demonstration?</p> <p>18 A. The people in this room, excluding</p> <p>19 your company's representatives, the videographer</p> <p>20 and the court reporter, so --</p> <p>21 Q. Mr. Hinderaker, Mr. Woodward?</p> <p>22 A. And myself.</p> <p>23 Q. Okay. And was Thiago the only other</p> <p>24 individual present for the demo?</p> <p>25 A. To the best of my knowledge.</p>	<p>Page 21</p> <p>1 description, concatenate rules, he showed me how</p> <p>2 the various levels of technology supported by Blaze</p> <p>3 Advisor dot net, Cobalt, Java feed to a centralized</p> <p>4 repository and access that repository, and he gave</p> <p>5 me a very brief overview of modifying a rule.</p> <p>6 Q. Was this a prepared demonstration, in</p> <p>7 the sense that was there a presentation that went</p> <p>8 along with it, or was it simply a more informal</p> <p>9 conversation that you were having with Thiago?</p> <p>10 A. I would describe it as a more informal</p> <p>11 conversation, although Thiago did pull up one slide</p> <p>12 from previous presentations, but he did not -- he</p> <p>13 would not do what I describe as making a presentation</p> <p>14 to me.</p> <p>15 Q. Was the demonstration of Blaze</p> <p>16 specific to any company's use of Blaze?</p> <p>17 A. Not really, no.</p> <p>18 Q. Okay. Was Blaze -- was the</p> <p>19 demonstration of Blaze that you received yesterday</p> <p>20 connected to any particular program or industry?</p> <p>21 A. I would describe his presentation as</p> <p>22 theoretical, but in executing the demonstration of</p> <p>23 creating rules -- the things I described, he chose</p> <p>24 to use a college admissions scenario.</p> <p>25 Q. Okay. So he didn't give you a</p>

<p>1 demonstration that was specific to the insurance 2 industry, for instance?</p> <p>3 A. That is correct.</p> <p>4 Q. Okay. And he didn't give you a 5 demonstration that had anything to do with Federal's 6 use of Blaze?</p> <p>7 A. Also --</p> <p>8 Q. Correct?</p> <p>9 A. Also correct.</p> <p>10 Q. Blaze out of the box does not have any 11 rules in it, correct?</p> <p>12 A. That is correct, to the best of my 13 understanding. The art -- the artifacts don't give 14 me enough information to really know what Federal 15 and what Blaze had at the beginning.</p> <p>16 Q. Your understanding is that Blaze, as a 17 software tool, does not have any specific subject 18 matter, for instance?</p> <p>19 A. That is correct.</p> <p>20 Q. Correct? It does not import any 21 expertise in any industry, correct?</p> <p>22 A. I disagree with that.</p> <p>23 Q. Does it have any rules out of the box 24 relating to the insurance industry, for example?</p> <p>25 MR. HINDERAKER: I'm going to -- my</p>	<p>1 mentioned that he showed you how to concatenate 2 rules; is that right?</p> <p>3 A. Yes, concatenate.</p> <p>4 Q. Concatenate?</p> <p>5 A. Yeah.</p> <p>6 Q. And what do you mean by that?</p> <p>7 A. Well, in the world that I live in, in 8 the underwriting world, rarely do you make decisions 9 based on one single data element, you consider 10 multiple. So he showed me how to have the 11 individual rules interact with each other.</p> <p>12 So the -- so if you have three rules, 13 the first rule could be based on an and statement, 14 so it's inclusive, but then the next two rules 15 could be based on an or statement, meaning it's one 16 or the other. That's what I mean.</p> <p>17 Linked the rules might be a better 18 word than concatenate, but --</p> <p>19 Q. To link, did you say?</p> <p>20 A. Yes.</p> <p>21 Q. And he showed you how to create rules, 22 you said?</p> <p>23 A. Yes.</p> <p>24 Q. Okay. And how is that done, how is -- 25 what is your understanding of how you create rules?</p>
<p>Page 23</p> <p>1 only objection is to the phrase "out of the box," 2 which is vague and inaccurate.</p> <p>3 BY MS. JANUS:</p> <p>4 Q. Do you know what I mean by out of the 5 box?</p> <p>6 A. I know what I believe out of the box 7 means. I have no idea what you mean.</p> <p>8 Q. Okay. What do you interpret out of 9 the box to mean?</p> <p>10 A. Let's -- let's go to a personal 11 computer example, because most people understand 12 that. You buy shrink-wrap software. Let's pretend 13 that it's Microsoft Office. You cut the shrink 14 wrap, take out the disk, you load the software, and 15 it has only the executable code in it, it contains 16 no data.</p> <p>17 So, if that's the definition of out of 18 the box, I suspect, but do not know, that Federal 19 received a out-of-the-box version of Blaze Advisor.</p> <p>20 Q. And, essentially, what you've 21 described as when it first received or downloaded 22 Blaze Advisor from FICO, we'd characterize that as, 23 essentially, out of the box?</p> <p>24 A. Yes.</p> <p>25 Q. Okay. Going back to the demo, you've</p>	<p>Page 25</p> <p>1 A. I -- I believe you are giving me way 2 too much credit for my memory from the demo. I'm 3 not sure I can describe that.</p> <p>4 It's a -- it's -- it has the -- it has 5 the ability for you to say this is the name of a 6 rule, and the criteria for that rule it has to 7 be -- and I'm going to -- it has to be not sand and 8 gravel, trucking companies.</p> <p>9 Q. Okay. And speaking about Blaze 10 generally now, is it your understanding that the 11 rules that are put into Blaze come from the 12 business expertise of the entity that's using 13 Blaze?</p> <p>14 A. I'm not quite sure what you mean by 15 the phrase "put into."</p> <p>16 Q. Okay. Well, what would -- how would 17 you describe the rules in Blaze?</p> <p>18 A. As I -- as I articulate in the report, 19 there is -- there is -- it's a multistep process. 20 So there's creation of the rules, and based on the 21 artifacts, the rules were created by the -- the 22 definition of the rules. Okay. We will not write 23 sand and gravel trucks, as an example, was created 24 by Federal. But then there's the writing of the 25 rule into the software. Artifacts indicate that</p>

<p>1 Advisor, and if the rule is you can't do this if 2 the person is age 21 and under and you want to 3 change that to 25 and under, you highlight the 1, 4 and you press the delete key, you type in 5, and 5 then you save it.</p> <p>6 THE WITNESS: Thank you, Allen.</p> <p>7 MR. HINDERAKER: You're welcome.</p> <p>8 BY MS. JANUS:</p> <p>9 Q. Did the presentation yesterday or the 10 demo yesterday refer in any way to Federal?</p> <p>11 A. No.</p> <p>12 Q. Did Thiago discuss Federal's use of 13 Blaze?</p> <p>14 A. No.</p> <p>15 Q. Do you know whether Thiago had any 16 knowledge of Federal's use of Blaze?</p> <p>17 A. No.</p> <p>18 Q. Did you discuss the deposition today 19 with Thiago?</p> <p>20 A. No.</p> <p>21 THE WITNESS: Excuse me. My sinuses 22 are not particularly fond of Minnesota, the great 23 State of Minnesota.</p> <p>24 MS. JANUS: We've been going about an 25 hour. If you want to take a quick break?</p>	<p>1 with anyone in preparing your reports?</p> <p>2 MR. HINDERAKER: Again, exclusive of 3 lawyers.</p> <p>4 THE WITNESS: Well, then, my response 5 is exclusive of attorneys, no.</p> <p>6 BY MS. JANUS:</p> <p>7 Q. Okay. And the demonstration you had 8 yesterday with Thiago was the first time that you 9 had talked with anyone at FICO other than Bill 10 Waid, correct?</p> <p>11 A. Yes, that is correct.</p> <p>12 Q. You refer to the conversation you had 13 with Bill Waid on November 12th, 2018, in your 14 report. Was that a conversation over the phone?</p> <p>15 A. Yes.</p> <p>16 Q. How long did it last?</p> <p>17 A. Oh, I'm sorry, I couldn't guess. If 18 you want me to pull a number out of the air, I'd 19 say 45 minutes. It was -- it was longer than 20 15 minutes and it was less than two hours, 21 45 minutes.</p> <p>22 Q. And did you only have one conversation 23 with Mr. Waid?</p> <p>24 A. That is correct.</p> <p>25 Q. What did you discuss with Mr. Waid</p>
<p>1 THE WITNESS: I think I can go like 2 ten more minutes.</p> <p>3 MS. JANUS: Okay.</p> <p>4 THE WITNESS: But I am going to need a 5 break shortly.</p> <p>6 MS. JANUS: All right. Well, why 7 don't we just break now and then --</p> <p>8 THE WITNESS: That's fine.</p> <p>9 MS. JANUS: -- we can reconvene.</p> <p>10 THE WITNESS: Okay.</p> <p>11 THE VIDEOGRAPHER: Going off the 12 record. The time is 10:00 a.m.</p> <p>13 (Break from 10:00 to 10:08.)</p> <p>14 THE VIDEOGRAPHER: We're back on the 15 record. The time is 10:08 a.m.</p> <p>16 BY MS. JANUS:</p> <p>17 Q. You have referred to artifacts several 18 times this morning. What do you mean by that?</p> <p>19 A. I mean the case documents that I have 20 been provided for reading, review and use. 21 Artifacts is a -- is a insurance industry 22 technological term. All business requirements, for 23 instance, are referred to as artifacts.</p> <p>24 Q. Other than the demo that you received 25 from Thiago, have you had any other conversations</p>	<p>1 during the conversation?</p> <p>2 MR. HINDERAKER: I believe there were 3 lawyers involved --</p> <p>4 THE WITNESS: That is correct.</p> <p>5 MR. HINDERAKER: -- in that 6 conversation. So we'll maintain a work product and 7 a privilege objection. I don't have any quarrel 8 with you asking about whether any of that 9 conversation bears on the opinions that are 10 reported. But the conversation per se with the 11 lawyers involved and the work product, I -- I 12 instruct you not to disclose that.</p> <p>13 BY MS. JANUS:</p> <p>14 Q. Did your conversation with Bill Waid 15 inform any of the opinions that you have in this 16 matter?</p> <p>17 A. No.</p> <p>18 Q. Why did you list it under information 19 considered in your report on page 1?</p> <p>20 A. Because I felt that not to list it 21 would be erroneous on my part, because I, in fact, 22 talked with him.</p> <p>23 Q. Okay. And your testimony is that none 24 of the information that you obtained during your 25 conversation with Mr. Waid has any bearing at all</p>

<p>1 on your opinions in this matter?</p> <p>2 A. Correct.</p> <p>3 Q. What topics did you discuss with</p> <p>4 Mr. Waid during the call in November 12th?</p> <p>5 MR. HINDERAKER: I object to that as</p> <p>6 work product and attorney-client privilege.</p> <p>7 BY MS. JANUS:</p> <p>8 Q. Are you --</p> <p>9 MR. HINDERAKER: And I instruct you</p> <p>10 not to answer.</p> <p>11 BY MS. JANUS:</p> <p>12 Q. Are you following that instruction?</p> <p>13 A. I am.</p> <p>14 Q. What questions did you ask Mr. Waid</p> <p>15 during your conversation on November 12th, 2018?</p> <p>16 MR. HINDERAKER: I have the same</p> <p>17 objections, and I instruct you not to answer.</p> <p>18 THE WITNESS: I follow the advice of</p> <p>19 counsel for plaintiff.</p> <p>20 BY MS. JANUS:</p> <p>21 Q. What answers did Mr. Waid give to the</p> <p>22 questions that you asked him on November 12th, 2018?</p> <p>23 MR. HINDERAKER: I have the same</p> <p>24 objections, and I instruct the witness not to</p> <p>25 answer.</p>	<p>1 underwriting, financial management, planning,</p> <p>2 product development, project management, general</p> <p>3 (field operations) management, and business</p> <p>4 management of technology," correct?</p> <p>5 A. That is correct.</p> <p>6 Q. And so would you say it's a fair</p> <p>7 characterization that most of your experience in</p> <p>8 the insurance industry does not directly relate to</p> <p>9 technology?</p> <p>10 A. No.</p> <p>11 Q. Only one of the categories of</p> <p>12 experience that you list -- and having worked in</p> <p>13 many parts of the insurance industry -- includes</p> <p>14 any direct connection to technology, correct?</p> <p>15 A. I agree with that statement.</p> <p>16 Q. Okay. And that's the last one that</p> <p>17 you list, the business management of technology,</p> <p>18 correct?</p> <p>19 A. Correct.</p> <p>20 Q. You say you've had experience</p> <p>21 underwriting, correct?</p> <p>22 A. Correct.</p> <p>23 Q. And as -- when you say experience</p> <p>24 underwriting, describe what type of experience,</p> <p>25 just in general terms, you're referring to?</p>
<p>1 THE WITNESS: I comply with plaintiff</p> <p>2 counsel's request.</p> <p>3 BY MS. JANUS:</p> <p>4 Q. Did -- Who was present on the phone</p> <p>5 call with Mr. Waid on November 12th, 2018?</p> <p>6 A. There were four people involved in the</p> <p>7 phone call, myself, Mr. Waid and two lawyers.</p> <p>8 THE WITNESS: The lawyers names?</p> <p>9 MR. HINDERAKER: If she wants to know,</p> <p>10 that's fine.</p> <p>11 THE WITNESS: Mr. Woodward and</p> <p>12 Missus -- if I wouldn't --</p> <p>13 MR. HINDERAKER: Kliebenstein.</p> <p>14 THE WITNESS: Yeah, Mrs. Kliebenstein.</p> <p>15 I always -- I don't get -- I don't have a problem</p> <p>16 with the Stein, it's the Klee (phonetic), because</p> <p>17 I'm prone to turn her into a Kly (phonetic). I'm</p> <p>18 sorry, continue, please.</p> <p>19 BY MS. JANUS:</p> <p>20 Q. All right. Let's talk about your</p> <p>21 education and experience, which begins on page 2 of</p> <p>22 your report.</p> <p>23 A. I'm there.</p> <p>24 Q. Okay. You write that you "have worked</p> <p>25 in many parts of the insurance industry, including</p>	<p>1 A. As an underwriter -- I was an</p> <p>2 underwriter twice, in Hartford, Connecticut, and</p> <p>3 in -- the second time in Washington, D.C. My</p> <p>4 general responsibilities will be similar to --</p> <p>5 which you will hear almost any underwriter describe,</p> <p>6 I was responsible for interfacing with and selling</p> <p>7 The Hartford to independent agents in a -- a</p> <p>8 specific defined territory. I was responsible for</p> <p>9 underwriting for that group of agents, every new</p> <p>10 business application that came in that they</p> <p>11 submitted. I was responsible for reviewing and</p> <p>12 underwriting any changes to policies that were</p> <p>13 submitted by those agents that required</p> <p>14 underwriting attention. I was responsible for</p> <p>15 reviewing renewals that were come -- policies that</p> <p>16 were coming up for renewal to determine whether we</p> <p>17 wanted to make any modifications or we were just</p> <p>18 going to allow the renewal to continue as is. I</p> <p>19 was responsible for underwriting what The Hartford</p> <p>20 called risk alerts. So if the claims department</p> <p>21 flagged a specific claim as needing scrutiny and</p> <p>22 that claim was for a policy submitted by one of the</p> <p>23 agents for which I was responsible, I would review</p> <p>24 that policy almost immediately after the claims</p> <p>25 occurrence had taken place. That's a 50,000 foot</p>

<p>1 overview.</p> <p>2 Q. Okay. I take it in your work as an 3 underwriter, your expertise, your personal 4 expertise was important to the performance of your 5 underwriting duties?</p> <p>6 A. Yes.</p> <p>7 Q. Your personal judgment was crucial in 8 the performance of your underwriting duties, correct?</p> <p>9 A. Yes.</p> <p>10 Q. Would you say your expertise and 11 judgment in underwriting were the most important 12 aspects of your success as an underwriter?</p> <p>13 A. No.</p> <p>14 Q. What was?</p> <p>15 A. I -- I do not undervalue the 16 importance of that expertise. However, that is one 17 part of a Rubik's Cube.</p> <p>18 So my ability to have a high level 19 of -- are you familiar with the phrase EQ, emotional 20 quotient, and be able to interface with a very, 21 very diverse agency plant and then a very, very 22 diverse group of people inside of the agency plant 23 in combination with various other departments, such 24 as claims, loss control, marketing, and my peers in 25 other underwriting departments, such as bond and</p>	<p>Page 47</p> <p>1 admin system?</p> <p>2 A. Multiple admin policy systems.</p> <p>3 Q. But you did not use the policy admin 4 system as an underwriter?</p> <p>5 A. This was 1977, that is correct.</p> <p>6 Q. Did you as an underwriter define rules 7 that were used by The Hartford to underwrite 8 insurance?</p> <p>9 A. At what point in time?</p> <p>10 Q. Any point in time?</p> <p>11 A. Yes.</p> <p>12 Q. Okay. When did you do that?</p> <p>13 A. That would have been when -- pardon 14 me. That would have been when I was now back -- 15 back up in home office, excuse me, and had come 16 back to the underwriting department from the 17 planning department.</p> <p>18 Q. Do you have a rough time period on 19 that?</p> <p>20 A. Um, I believe I came back from the 21 planning department in late nineteen eighty -- yes, 22 '84, yeah, give or take a century.</p> <p>23 Q. And we'll go through the experience 24 that you've listed. But just in general terms, 25 what was your role in creating rules that were used</p>
<p>1 commercial lines, was very important. That's one 2 of the reasons I like the underwriting, because you 3 actually have your hands in so much of the business.</p> <p>4 Q. So you're -- you said emotional 5 quotient?</p> <p>6 A. Yes.</p> <p>7 Q. And do you sometimes refer to that as 8 emotional intelligence?</p> <p>9 A. Some people do.</p> <p>10 Q. Okay.</p> <p>11 A. When I grew up, it was EQ. Now it's 12 EI.</p> <p>13 Q. Okay. And that --</p> <p>14 A. But it's the same thing.</p> <p>15 Q. Same thing, okay. And so your EQ or 16 EI was crucial to your success as an underwriter?</p> <p>17 A. Agreed.</p> <p>18 Q. Okay. Did you use technology as an 19 underwriter with The Hartford?</p> <p>20 A. Define technology, please. A 21 Monroe -- a Monroe JD-30 calculator is technology. 22 I had a Monroe JD-30 calculator on my desk. Okay. 23 Did I interface and type into the policy admin 24 system? No.</p> <p>25 Q. Okay. So The Hartford had a policy</p>	<p>Page 48</p> <p>1 in the underwriting process?</p> <p>2 A. We would have an annual review. So, 3 at this point, I was in what was called the line of 4 business. Today you would know it as the product 5 department, and we would -- we would have an annual 6 review using multiple data sources, actuarial data, 7 profit and loss statements for our various products 8 by jurisdiction, and that jurisdiction was down 9 into the individual rating territory, and we would 10 look and we would see if we wanted to modify our 11 rules, add rules, subtract rules, change from 21 to 12 25, change from sand and gravel to U-Haul vans, 13 kind of a thing.</p> <p>14 Q. So you looked at the data that you had 15 based on past performance, correct?</p> <p>16 A. I'm not -- I'm not sure I understand 17 the question.</p> <p>18 Q. Well, you described --</p> <p>19 A. As it relate -- as it relates to my 20 time at The Hartford?</p> <p>21 Q. Yes.</p> <p>22 A. Okay. Now restate the question, 23 please.</p> <p>24 Q. Okay. So you -- you -- you were 25 describing the process of creating rules when you</p>

1 into a consumer's decision to purchase a given
 2 insurance product. I take it you'd agree with me
 3 that if an insurance company uses Blaze in some
 4 aspect of the process to underwrite an insurance
 5 product for a particular customer, that the use of
 6 Blaze in and of itself would not influence that
 7 customer's decision to purchase the product, would
 8 you agree with that?

9 **A. I agree that the direct consumer, be**
 10 **it a business or a family entity, personal lines,**
 11 **does not see or care about any of the technologies**
 12 **that an insurance company takes to -- I'm going to**
 13 **use the word fulfill, fulfill its insurance**
 14 **process, be it policy issuance, be it claims, be it**
 15 **billing. The consumer is oblivious to that. I**
 16 **probably would --**

17 MR. HINDERAKER: Go ahead, finish your
 18 answer.

19 THE WITNESS: I probably would not
 20 make the same statement for the broker.

21 BY MS. JANUS:

22 Q. So the consumer that you referred to
 23 does not care whether Federal uses Blaze in any of
 24 its processes in connection with selling or
 25 administering a given insurance policy, fair?

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1 MR. HINDERAKER: The question
 2 misstates the answer, and I object for that reason.

3 THE WITNESS: May I answer?

4 MS. JANUS: Yes.

5 THE WITNESS: Or respond?

6 MR. HINDERAKER: Yes, you may.

7 THE WITNESS: Okay. Thank you. Just
 8 asking for the rules.

9 The consumer cares that the value
 10 proposition, a combination of coverages, exclusions
 11 and price, meet their needs and their expectation.
 12 Okay. The insurance company cares that the -- oh,
 13 and, I'm sorry, I need to put speed in there. All
 14 right. So -- so if you look at speed of response
 15 and you look at adequacy of price in combination
 16 with the proposed package, the consumer cares about
 17 that. The broker --

18 BY MS. JANUS:

19 Q. I'm sorry, let me just stick with my
 20 question for a moment. I want to make sure I've
 21 got an answer to my question.

22 I asked you whether you would agree
 23 that the consumer does not care that Federal may
 24 use Blaze as a part of its complex processes to
 25 issue or underwrite a particular insurance product?

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1 MR. HINDERAKER: I'm going to object
 2 to the argumentative nature of that. He was trying
 3 to answer --

4 MS. JANUS: No, no, no, no, don't
 5 coach him, don't coach him.

6 MR. HINDERAKER: I'm not.

7 MS. JANUS: Al, I'll stop you there.

8 MR. HINDERAKER: Fine.

9 MS. JANUS: Let's not get into that.

10 It was a fair question, it wasn't argumentative.

11 MR. HINDERAKER: And you --

12 MS. JANUS: I want an answer.

13 MR. HINDERAKER: I was just trying to
 14 say, he was trying to answer that question. So let
 15 him finish his answer, please.

16 MS. JANUS: Please don't raise your
 17 voice with me.

18 MR. HINDERAKER: Oh, I wasn't --

19 MS. JANUS: And stop coaching the
 20 witness. As soon as I get to a question you don't
 21 like, you start coaching. Okay.

22 MR. HINDERAKER: I --

23 MS. JANUS: Let's stop it now. He's
 24 your expert, he should be able to handle it.

25 MR. HINDERAKER: I like your --

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1 MS. JANUS: All right. I'm going to --
 2 MR. HINDERAKER: I like -- I liked
 3 your question.

4 MS. JANUS: I'm going to --

5 MR. HINDERAKER: And I'd like him to
 6 have a chance to answer.

7 BY MS. JANUS:

8 Q. I'm going to ask my question again,
 9 and I'd like an answer to it, and I think -- I
 10 think your previous answers pretty obviously
 11 suggest this. I just want to make it clear on the
 12 record, as I'm entitled to do, I'm entitled to
 13 create the record.

14 You would agree with me, I take it,
 15 based on your previous testimony, that a consumer
 16 making a decision to purchase an insurance product
 17 from Federal does not care whether or not Blaze was
 18 used at any point in the process of selling or
 19 underwriting that insurance product, correct?

20 **A. Correct.**

21 Q. You would agree with me that, in fact,
 22 a consumer making a decision to purchase an
 23 insurance product from Federal does not know that
 24 Blaze was used at any point in the process in
 25 selling or underwriting that product, correct?

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<p>1 A. The consumer is oblivious to any of 2 the tools the insurance company uses to construct, 3 deliver and fulfill their products. They don't 4 want to know.</p> <p>5 Q. And there are many, many tools that an 6 insurance company uses to do that, correct?</p> <p>7 A. I've never seen an insurance company 8 have less than three. To say many, I can't speak 9 to that.</p> <p>10 Q. There are many technologies that an 11 insurance company -- let's talk about Federal. 12 Federal uses many, many technologies in conducting 13 its business, correct?</p> <p>14 A. Yes.</p> <p>15 Q. Blaze is one technology that Federal 16 uses, correct?</p> <p>17 A. Pardon me. That is correct.</p> <p>18 Q. Is it fair to say that to the extent 19 Blaze is used by Federal it's in the background, 20 correct?</p> <p>21 A. From whose perspective?</p> <p>22 Q. The consumer's.</p> <p>23 A. Correct.</p> <p>24 Q. It is a back office issue, correct?</p> <p>25 A. It is a back office issue that creates</p>	<p>1 can, in fact, be, as Mr. McCarter pointed out, the 2 raw arithmetical, it's one of -- and off the top of 3 my head I don't remember his number, let's say a 4 thousand, it's one of a thousand technologies.</p> <p>5 That is irrelevant in my opinion. I'm 6 not measuring, I'm not evaluating, I'm not trying 7 to quantify the impact of the overall footprint of 8 a company. I'm evaluating the value -- the 9 qualitative value of a software in executing the 10 insurance process.</p> <p>11 Q. Let's go back to your background. We 12 talked about product development. You also list 13 product management?</p> <p>14 A. Yes.</p> <p>15 Q. What -- what does that refer to?</p> <p>16 A. Do you recall my description of the 17 insurance product as rates, rules and forms?</p> <p>18 So, in product management, for a 19 specified jurisdiction for a period of time, a 20 defined period of time, and for the departments of 21 insurance that regulate the insurance industry, my 22 responsibility was management of -- I'll use the 23 management term, management of the definition of 24 the rates, rules and forms within my scope of 25 geographic regulatory and agent responsibilities.</p>
<p>Page 79</p> <p>1 things about which the consumer greatly cares.</p> <p>2 Q. Unbeknownst, its use is unbeknownst to 3 the consumer, correct?</p> <p>4 A. The consumer is not concerned about 5 how those three things are created, they're just 6 concerned that those three things exist.</p> <p>7 Q. You would agree with me that Federal 8 does not market or sell Blaze, correct?</p> <p>9 A. Excuse me. Yes. I -- I would agree 10 that I have no indication that they do that or have 11 any interest in doing that.</p> <p>12 Q. You would agree with me that Blaze is 13 just one part of Federal's IT infrastructure, 14 correct?</p> <p>15 A. As I articulate in my reply to 16 Mr. McCarter's report, it is one of many 17 technologies. But my job was not to value the 18 size of -- not value -- to evaluate qualitatively 19 the size of Federal's technology footprint, but it 20 is one of many.</p> <p>21 Q. So you did not conduct an analysis of 22 how significant a part of Federal's IT infrastructure 23 Blaze is?</p> <p>24 A. Significant is an ambiguous word.</p> <p>25 There are multiple ways to find that. One -- one</p>	<p>Page 81</p> <p>1 Q. So the focus of product management is 2 not technology, correct?</p> <p>3 A. Uh, correct.</p> <p>4 Q. You also did general (field operations) 5 management?</p> <p>6 A. Also correct.</p> <p>7 Q. And is -- what is general (field 8 operations) management?</p> <p>9 A. General (field operations) management 10 is -- may -- may I couch this in terms of Federal?</p> <p>11 MR. HINDERAKER: Sure.</p> <p>12 THE WITNESS: Okay. Federal makes 13 reference to their underwriters who are out in the 14 field and the fact that they had three centers.</p> <p>15 Okay. I was a manager of all of the service people 16 and all of the processors and about 90 percent of 17 the underwriting function inside of an office. So 18 we were the interface to the agent. We were the 19 ones where the new business applications arrived on 20 those people's desks.</p> <p>21 BY MS. JANUS:</p> <p>22 Q. The focus of your general (field 23 operations) management was not technology, correct?</p> <p>24 A. I struggle to answer this one, 25 respectfully. I -- I -- I respectfully point out</p>

1 that I am going to struggle to answer this one
 2 because one of the reasons that they sent me there
 3 was I knew technology and we had to reengineer the
 4 office.
 5 So, in the course of time that that
 6 was off -- that I was at that office, we did a
 7 number of reengineering, redesign of the physical
 8 plant things, and technology, both telephone
 9 technology and policy admin processing technology
 10 were some of the big changes we made. We moved out
 11 of -- we -- we moved out of a green screen -- Are
 12 you familiar with the phrase green screen from a
 13 technology standpoint? Yeah. It's -- it's not
 14 what you see when you go home and you launch your
 15 computer. Your computer is giving you a graphical
 16 user interface, you use a mouse. That didn't exist
 17 back in those days. It was a green screen. All
 18 you could do was hit up and down arrows to move
 19 from field to field.
 20 We replaced that Cobalt system, dumb
 21 terminals, with a local area network, Compaq
 22 Presario 33 personal computers, and we installed an
 23 entire networking system. It was actually a star
 24 topology, if that means anything to you, and
 25 migrated all of those people I was talking about

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1 This is -- this is the part of the --
 2 this is a part of my career where I actually
 3 authored rules on the piece of paper, not for the
 4 system because it was going to go to a Cobalt-based
 5 system. And then, after we had done that, we had
 6 36 what we call strategic initiatives, specific
 7 projects that had to be implemented over the course
 8 of the next three years, and they looked at me and
 9 said, go make it happen.
 10 As part of that, the information
 11 technology department looked and said we can't get
 12 all of this done and everything else, and I
 13 implemented what I call a priority management
 14 system that took all existing projects and tabled
 15 them, and then every programming hour inside of a
 16 month we re -- we monthly released at The Hartford
 17 in those days, typical of a Cobalt system, a
 18 Cobalt-based system, and so -- we had 55 programmers,
 19 and they spent their time on nothing but did not
 20 have a document that had my signature on it. I set
 21 the priorities.
 22 Now, obviously, my boss wanted to know
 23 what was going on. But in the three years we were
 24 doing this, he never changed the priority on me. I
 25 was well-known in the IT department of The Hartford.

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1 that used the computer, we put in a gateway so that
 2 the personal computers could talk to a controller,
 3 a gateway that would then talk to the mainframe.
 4 Q. So by -- are -- are you saying that
 5 you managed -- you were the general manager of an
 6 IT department that performed those functions?
 7 A. No. I was the -- I will not call
 8 myself the general manager because my boss was
 9 called the general manager. But I was the manager
 10 responsible for making the telephone system and the
 11 transition to the personal computers happen across
 12 122 people in that office.
 13 Q. And then you mentioned business
 14 management of technology?
 15 A. Yes.
 16 Q. And what do you mean by that?
 17 A. In approximately 1987, we discovered
 18 that we were doing an outstanding job of poorly
 19 executing the acquire adequate premium process. I
 20 was in home office at this time, I was at
 21 headquarters, and my upline dragged me into a room,
 22 and we sat down and we, over the course of about
 23 three days, crafted a plan of all of the things we
 24 wanted to do from a technology statement -- I'm
 25 sorry, statement -- standpoint to close holes.

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1 Some of them even liked me.
 2 Q. You were at Hartford from 1977 through
 3 what year?
 4 A. I believe it was 1993.
 5 Q. Did The Hartford use a rules
 6 management software?
 7 A. No. May I point out that they didn't
 8 exist at that time.
 9 Q. How did The Hartford implement its
 10 rules?
 11 A. Mr. McCarter's strategy or alternative
 12 number two. Our rules were hard coded into the
 13 Cobalt.
 14 Q. When you left The Hartford -- let me
 15 stick with The Hartford for a moment, actually.
 16 You talk about --
 17 A. [Witness coughs] Excuse me.
 18 Q. -- Equifax's CLUE, C-L-U-E?
 19 A. Comprehensive loss underwriting
 20 exchange.
 21 Q. Is that what you were just referring?
 22 A. No.
 23 Q. No, okay. What is -- explain what
 24 CLUE is?
 25 A. CLUE is a third-party information

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<p>1 A. A policy administration system is the 2 system that executes an insurance company's quote, 3 bind, book, issue process for multiple transactions. 4 In addition, it executes the termination process 5 for policies that an insurance company may have 6 already sold. It is the -- it is the core database 7 of characteristics. I'm 64 years old, that's an 8 insure -- that's an insurance characteristic. I 9 have gray hair, that's not an insurance 10 characteristic.</p> <p>11 So it -- it was the -- it was the 12 prelim -- it is the preliminary database as it 13 relates to that quote, bind, book, issue terminate 14 and -- change-and-terminate process, it's the 15 engine. Oh, pardon me.</p> <p>16 Q. Federal, I take it, has policy 17 administration systems?</p> <p>18 A. Multiple.</p> <p>19 Q. Are any of those policy administration 20 systems at issue in this case?</p> <p>21 A. Yes. Well, the use of Blaze Advisor 22 as the rules management system or the automated 23 decision system as used by several of those policy 24 administration systems is part of this case or 25 is -- is relevant to this case.</p>	Page 95	<p>1 the case, yes. 2 Q. Blaze is used in CSI Express, correct? 3 A. The artifacts indicate that that is 4 the case, yes. 5 Q. It is one small part of CSI Express, 6 correct? 7 A. CSI Express uses multiple technologies. 8 It is a component of that. The relative size or 9 significance of it depends on your denominator. So 10 I can't respond to that. 11 Q. Okay. So you don't know how 12 significant of a component Blaze is within CSI 13 Express? 14 A. Significance of component cannot be 15 assessed until you tell me what the denominator is. 16 Are you measuring it as one against X numbers of 17 technologies, are you measuring it against the 18 relative functional value that each of the 19 individual components contributes to the quote, 20 bind, book, issue process? I don't know what your 21 denominator is. 22 Q. Well, how would you -- did you -- did 23 you measure -- let me ask it this way. Did you 24 measure the relative significance of Blaze in CSI 25 Express as compared to the other technologies that</p>
<p>1 Q. Which systems are those? 2 A. Memory test. All right. So may I go 3 to my report? 4 Q. Sure. 5 A. All right. CSI Express is used by the 6 Chubb Specialty Insurance small business unit -- or 7 strategic business unit. Excuse me. 8 Q. Which paragraph of your report are you 9 looking at? 10 A. I am looking at multiple paragraphs, 11 but let's start on page 7, section V, paragraph 28. 12 Q. Okay. 13 A. Shall I continue? 14 Q. So CSI Express is a policy -- 15 A. Administration system. 16 Q. Administration system. And CSI 17 Express was developed by Federal, correct? 18 A. I cannot answer that question. I 19 don't know. I mean, I didn't do a history of 20 Federal's deployment of technology. I will say 21 this, I expect so, but I cannot definitively 22 confirm or deny that. 23 Q. Okay. And CSI Express was in use at 24 Federal prior to Federal's use of Blaze, correct? 25 A. The artifacts indicate that that is</p>	Page 96	<p>1 are used in CSI Express? 2 A. I submit to you that my entire report 3 is an evaluation of the functional value of Blaze 4 Advisor inside of multiple of the Federal policy 5 administration systems. 6 Q. And we're talking about CSI Express 7 first. 8 A. Okay. 9 Q. My question for you is, did you do any 10 measurement or analysis of how significant a part 11 of CSI Express Blaze is? 12 MR. HINDERAKER: I'd like to object to 13 the question as multiple in form, one is 14 significance, the other is analysis. Which are you 15 asking? 16 MS. JANUS: I think you mean 17 measurement or analysis. 18 BY MS. JANUS: 19 Q. So let's start with measurement? 20 A. I did not quantitatively measure in 21 terms of this report. My responsibility was 22 qualitative and functional. 23 Q. So are you able to opine as to the 24 specific value that comes from CSI Express that is 25 attributable to Blaze?</p>

<p>1 A. I'm able to opine the functional value 2 attributable to Blaze as it relates to the execution 3 of business rules inside of the policy administration 4 system which is using the software.</p> <p>5 Q. What is that?</p> <p>6 A. In this case we're discussing CSI 7 Express.</p> <p>8 Q. Right. But you're saying you're able 9 to opine on the functional value?</p> <p>10 A. Yes.</p> <p>11 Q. Okay.</p> <p>12 A. Oh, good.</p> <p>13 Q. And what do you --</p> <p>14 A. Good. I'm sorry. Now I understand 15 your question. Okay.</p> <p>16 So let's go back to my three things 17 that are important: speed, ease of doing business, 18 and accuracy and adequacy of the price. Blaze 19 functionally makes all of those better. It improves 20 the speed of response for the independent broker. 21 It makes the job of the independent broker easier, 22 which translates then into the ease that the 23 applicant or customer experiences, and it is 24 contributing to the adequacy of the price for the 25 proposed coverage package.</p>	<p>1 Express?</p> <p>2 A. Here specifically we're discussing CSI 3 Express, yes.</p> <p>4 Q. And as we've established, Blaze is one 5 small part of CSI Express?</p> <p>6 A. As long as you and I agree that your 7 measurement is footprint, yes. If you and I are 8 discussing functional value, no. You choose. Not 9 meaning to be disrespectful, it's got to be one or 10 the other.</p> <p>11 Q. Do you know what the other components 12 of CSI Express are?</p> <p>13 A. There are artifacts that articulate 14 the various and sundry components. I assure you I 15 spent less than one second reviewing those.</p> <p>16 Q. How can you have an opinion as to 17 Blaze's contribution to speed, ease of doing 18 business or adequacy of price if you do not know 19 what the other components of the complex application 20 it resides in -- namely, CSI Express -- are?</p> <p>21 A. CSI Express is a policy administration 22 system. It quotes. But going to inside of CSI 23 Express, specifically Decision Point as -- just as 24 one example, CSI Express Decision Point won't quote 25 if it doesn't meet the definition of the rules, the</p>
<p>Page 99</p> <p>1 Q. Are those all functions that CSI 2 Express performs or Blaze specifically?</p> <p>3 A. Both.</p> <p>4 Q. Have you done an analysis of what 5 amount of improvement to speed, ease of doing 6 business, adequacy of price is attributable to 7 Blaze --</p> <p>8 A. That --</p> <p>9 Q. -- as opposed to CSI Express?</p> <p>10 A. That was outside of the scope of my 11 responsibilities.</p> <p>12 Q. So you can't opine as to what 13 improvements, if any, in terms of speed, ease of 14 doing business or adequacy of price are specifically 15 attributable to Blaze, correct?</p> <p>16 A. Quantitatively, no. Qualitatively, 17 yes, the things I've already articulated.</p> <p>18 Q. The things you've articulated, though, 19 relate to the functioning of CSI Express generally, 20 correct?</p> <p>21 A. They relate to the -- to all of the 22 tools and mechanisms used by the owner of the 23 software, Federal, to execute their quote, bind, 24 book, issue, modify, terminate processes.</p> <p>25 Q. And here we're talking about CSI</p>	<p>Page 101</p> <p>1 risk attribute.</p> <p>2 That's why insurance companies have 3 rules, to frame for their distribution system -- in 4 this case independent agents and brokers -- the 5 definition of their risk appetite. I've been working 6 with underwriting insurance rules and the use of 7 technology to make those processes better for the 8 brokers and agents for a really long time.</p> <p>9 Q. You have never worked with a policy 10 administration that utilizes a rules management 11 software, correct?</p> <p>12 A. Correct.</p> <p>13 Q. The value that you've articulated as 14 speed, ease of doing business, and adequacy of 15 price, would you characterize those as efficiencies?</p> <p>16 A. No. Again, it's Rubik's Cube.</p> <p>17 There's written premium impact, there's loss cost 18 impact, and there is expense impact across the use 19 of a system like this.</p> <p>20 Q. Can you quantify --</p> <p>21 A. I was never asked to quantify anything.</p> <p>22 Q. So you cannot quantify any contribution 23 that Blaze has on any of the factors you just listed?</p> <p>24 A. That is correct. I was not asked to 25 quantify anything. It's out of the scope of my</p>

1 agreement and arrangement. 2 MS. JANUS: All right. Let's take a 3 short break. 4 THE WITNESS: Sure. My blad -- 5 THE VIDEOGRAPHER: Going off the 6 record. The time is 11:39 a.m. 7 (Break from 11:39 to 12:30.) 8 THE VIDEOGRAPHER: We're back on the 9 record. The time is 12:30 p.m. 10 THE WITNESS: [Witness coughing] Pardon 11 me. 12 BY MS. JANUS: 13 Q. All right. Mr. Whitener (phonetic 14 Wit-ner), you understand you're still under oath? 15 A. I do. 16 Would you please use Whitener 17 (phonetic White-ner)? 18 Q. Oh, sure. 19 A. You'll get a better response from -- 20 Q. My apologies. 21 A. No, no, no worries. I can't tell you 22 how many times I've made that statement in the years. 23 Q. If you could turn to your report, 24 let's start on page 4 of Exhibit 513. And this 25 section of the report is entitled FICO's Blaze	1 never used, correct? 2 A. That is correct. 3 Q. And that's a software that you had 4 never seen demonstrated until yesterday, correct? 5 A. Also correct. 6 (Whereupon, Deposition Exhibit No. 515 7 was marked for identification, and a copy is 8 attached and hereby made a part of this deposition.) 9 BY MS. JANUS: 10 Q. Showing you what's been marked as 11 Exhibit 515 -- 12 MR. HINDERAKER: Thank you. 13 BY MS. JANUS: 14 Q. -- this is the document that you 15 reference in footnote 1 of your report? 16 A. May -- may I have a moment, please? 17 Q. Oh, sure. 18 A. Thank you, thank you. Ah, 19 double-sided. 20 Q. And, Mr. Whitener, the question before 21 you is, could you confirm that this is the document 22 that you've cited in footnote 1 of your report? 23 And that's on page 4 of your report. 24 A. Coming. It is. 25 Q. Okay. And --
Page 103 1 Advisor® Decision Management Software, correct? 2 A. Yeah, section IV. 3 Q. How would you characterize the facts 4 and data that you relied upon in forming the 5 conclusions you've reached in section IV of your 6 report? 7 A. I would characterize them as my 8 fundamental belief based on noted artifacts, based 9 on a functional analysis of the software that shows 10 that Blaze Advisor contributes to the automate -- 11 automated decisioning of Federal's business units, 12 wherein it is deployed, it's not deployed in all 13 the business units, and that Blaze Advisor is 14 highly regarded by the industry analyst community, 15 and I note that through the quoting of a Forrester 16 group, Research group's document, where they 17 analyzed the functionality and the future vision of 18 various and sundry decision management systems. 19 Q. And you mentioned a functional 20 analysis of the software. Are you referring to 21 Chubb's software -- Federal's software, I should 22 say? 23 A. No. In this section I am referring to 24 the Blaze Advisor decision software. 25 Q. And that is a software that you have	Page 105 1 A. Well, let me rephrase that. This -- 2 this is -- this footnote does, in fact, relate to 3 the quote -- to a quote that is documented here. 4 There are multiple artifacts that this quote is in. 5 This is the one I choose for -- choose to use for 6 the footnote in the report. 7 Q. Sure. Okay. As authority for the 8 point you're making in paragraph 21, correct? 9 A. Yes. 10 Q. Okay. And Exhibit 515 is a FICO 11 document, correct? 12 A. Interestingly, its front name on the 13 document is Henry Mirolyuz, a Chubb employee. The 14 presentation is a FICO™ Forum: Decision Management 15 Tools User Group, and both companies' logos are on 16 the document. To the extent that each of those 17 entities contributed to this, I cannot speak. 18 Q. Okay. So you don't know who as 19 between FICO and Federal authored what in this 20 document, correct? 21 A. That is correct. 22 Q. Take a look at the page marked 57211? 23 A. I'm there. 24 Q. This has a list of Lessons Learned, 25 correct?

<p>1 A. That is the title of the specific 2 page.</p> <p>3 Q. Did you take the Lessons Learned page 4 into account in forming your opinions in this 5 matter?</p> <p>6 A. I read this document. I noted that 7 Lessons Learned reflected two things, that Chubb 8 had a solid -- Federal, I'm sorry, had a solid 9 process in postmortem review of their implementation 10 efforts, and I -- and I noted the items indicated 11 that the -- because they were doing a postmortem, 12 the implementation could have gone, in their 13 opinion, possibly more effectively, efficiently.</p> <p>14 Again, Dr. Covey's two parameters.</p> <p>15 Q. There were problems with the 16 implementation of Blaze at Federal?</p> <p>17 A. I can't say that. This is a Lessons 18 Learned. You could have the best implementation in 19 the world and still do a Lessons Learned.</p> <p>20 Q. The second bullet point in Lessons 21 Learned is "Need to establish the rule harvesting 22 procedures for BAs." Do you see that?</p> <p>23 A. I do.</p> <p>24 Q. Do you know what is meant by BAs?</p> <p>25 A. I can speculate that it means business</p>	<p>1 MR. HINDERAKER: Asked and answered.</p> <p>2 THE WITNESS: If you implement rules 3 in Blaze and the quoting -- or, I'm sorry, the 4 coding or the building of the rules, coding in 5 Cobalt, building in new technology, is in some way 6 flawed, or if the rule is in some way flawed and 7 the testing process of expected outcomes doesn't 8 produce -- doesn't catch that, you will produce an 9 undesired result.</p> <p>10 BY MS. JANUS:</p> <p>11 Q. The only way Blaze is useful to an 12 insurance company is if the rules that are in Blaze 13 are the right rules, correct?</p> <p>14 A. Again, referring to my reference to 15 the Rubik's Cube, there are multiple things that 16 impact and influence the P&L of an in -- of a 17 property and casualty insurance company, and so if 18 the rules are not correct, then, a less than 19 desirable P&L cause -- I'm sorry, effect will come 20 out of that.</p> <p>21 Q. Right, and I want this to be as 22 efficient as we can have it today. So I'd ask that 23 you listen to the question and answer it.</p> <p>24 My question was, the only way that 25 Blaze is useful to an insurance company is if the</p>
<p>Page 107</p> <p>1 analysts. That certainly is the preponderance of 2 the use of capital B, capital A that I've used in 3 my career.</p> <p>4 Q. And rules harvesting is the process of 5 identifying the defined rules, as you referred to 6 earlier in the day, correct?</p> <p>7 A. I believe rule harvesting meant 8 going -- or, I'm sorry, means, as respects this 9 document, going to multiple sources to insure that 10 as they begin to put those rules into Blaze Advisor 11 they're going to multiple sources to make sure that 12 they have as many of the rules as they can identify.</p> <p>13 Q. So it's a process of identifying the 14 defined rules of Federal, correct?</p> <p>15 A. Yes.</p> <p>16 Q. And that's a crucial part of the 17 process of having a successful implementation of 18 Blaze, correct?</p> <p>19 A. Yes.</p> <p>20 Q. In fact, if you implement Blaze and 21 you don't have good rules, the result will be 22 negative --</p> <p>23 MR. HINDERAKER: Asked and answered.</p> <p>24 BY MS. JANUS:</p> <p>25 Q. -- for a company, correct?</p>	<p>Page 109</p> <p>1 rules that are in Blaze are the right rules, you 2 would agree with that, correct?</p> <p>3 MR. HINDERAKER: Objection, asked and 4 answered.</p> <p>5 THE WITNESS: I agree that it is 6 important that the rules be correct. I agree that 7 the overall contribution to the touchpoints we've 8 discussed earlier will not be as good if the rules 9 are incorrect.</p> <p>10 BY MS. JANUS:</p> <p>11 Q. Right, but my question -- I'm entitled 12 to a yes or no answer to my question. My question 13 is, the only -- the only way Blaze could ever have 14 value to an insurance company is if the rules that 15 are in Blaze are the right rules?</p> <p>16 MR. HINDERAKER: I'm going to lodge my 17 objection. Counsel is not entitled to a yes or no 18 answer if a yes or no answer is not the witness's 19 truthful testimony.</p> <p>20 MS. JANUS: Please stop coaching the 21 witness.</p> <p>22 MR. HINDERAKER: I don't think I did. 23 And if you wish to maintain your position that no 24 answer except a yes or no answer is an acceptable 25 one, you're free to do that, and I'm free to lodge</p>

<p>1 the fact that we're here to give truthful testimony. 2 BY MS. JANUS: 3 Q. You can answer my question. Is that 4 correct? 5 A. In a isolated view of the complex 6 Rubik's Cube of insurance, yes, but it is an 7 isolated view. 8 Q. The next bullet point is that training 9 is required for a developer to become familiar with 10 new technology, correct? 11 A. It is. 12 Q. The next bullet point is -- 13 A. Pardon me. 14 Q. "-- Lack of established design best 15 practices and standards which complicates design of 16 BR projects and prevents from utilizing full 17 potential of Blaze Advisor rule engine." Is BR 18 business rules? 19 A. I -- I suspect so. Artifacts have 20 that BR associated with the definition of business 21 rules. 22 Q. So does it appear to you that a lack 23 of established design best practices and standards 24 can prevent the utilization of the full potential 25 of the Blaze Advisor rule engine?</p>	<p>1 Q. So, at this point in time, there was 2 an identification that there was no knowledge 3 sharing between strategic business units, correct? 4 A. That is correct. 5 Q. Take a look at the page marked 57213, 6 please? 7 A. I am there. 8 Q. Well, actually, I'm sorry. 9 A. That's okay. 10 Q. 57212 first. 11 A. Okay. 12 Q. So -- 13 A. Got it, I'm there. 14 Q. So the second quote is -- states, "To 15 achieve corporate consistency and have any tool 16 become a corporate asset, you need a central area 17 to help manage that we 'stay the course', correct? 18 A. It does state that, yes. 19 Q. It goes on to state on the third 20 quote, "Without a Rules COE we will not efficiently 21 leverage the learnings across multiple rules 22 implementations thereby increasing costs, gain the 23 benefits of rule reuse, and potentially not meet 24 Architecture and business objectives," correct? 25 A. The document does state that.</p>
<p>Page 111</p> <p>1 MR. HINDERAKER: Object to the 2 question to the extent it misstates the document. 3 THE WITNESS: I agree that 4 implementations of any technology inside of an 5 insurance company are more efficient and effective 6 if before the implementation starts best practices 7 for the implementation have been defined. So, to 8 that extent, I would say yes. 9 BY MS. JANUS: 10 Q. They identify that the testing stat -- 11 strategy needs to be changed, correct? 12 A. That is stated in the document. 13 Q. That the new environment configuration 14 was required to host the rule engine, correct? 15 A. It does state that, yes. 16 Q. And that there's "Scattered 17 knowledge - no knowledge sharing between SBUs," 18 correct? 19 A. It does state that, yes. 20 Q. And that's -- what do you understand 21 SBUs to stand for? 22 A. In several of the artifacts, Chubb 23 refers to its SBUs as strategic business units, and 24 it identifies them as Chubb Specialty, Chubb 25 Commercial, and Chubb Personal Lines.</p>	<p>Page 113</p> <p>1 Q. So there's discussion of the use of 2 Blaze not meeting business objectives, correct? 3 A. I disagree with that. This is -- this 4 is a statement that in the implementation process 5 there are things that they can do better from a 6 project management perspective. I'm not sure those 7 things point to anything relative to the functional 8 value of Blaze. 9 My experience would tell me that every 10 insurance company -- and this is one of the things 11 that Mr. McCarter and I agree on. Every insurance 12 company, technology is not their core competency. 13 So when they deploy new technology, regardless of 14 that new technology there can be bumps in the road 15 and there is learning to be done from that. But it 16 relates not to the value of the software, it 17 relates to the efficiency and effectiveness of the 18 implementation process. 19 Q. And you just don't know in this case 20 whether -- 21 THE WITNESS: I'm sorry, pardon me. 22 Thank you. 23 MR. HINDERAKER: Sure. 24 BY MS. JANUS: 25 Q. Whether there was a concern that the</p>

<p>1 implementation of Blaze was not meeting business 2 objectives, correct? 3 A. I -- I cannot make that assessment 4 based on artifacts. 5 (Reporter's Note: Mr. Hinderaker is 6 getting the witness another glass of water.) 7 THE WITNESS: Thank you, Allen. 8 MR. HINDERAKER: Uh-huh, you're 9 welcome. 10 BY MS. JANUS: 11 Q. In paragraph 22, you state that "Blaze 12 Advisor provides companies across industries with a 13 scalable solution that delivers unprecedented 14 agility and actionability for smarter business 15 decisions," right? 16 A. I do. 17 Q. And that's based on a FICO press 18 release, correct? 19 A. It is based on FICO documentation. I 20 do not recall whether it was a press release. 21 Q. And you found it at the FICO website, 22 correct? 23 A. Um, yes. 24 Q. That's a statement that's not based on 25 your experience but on the information FICO publishes</p>	<p>1 A. Okay, agreed. 2 Q. If you take a look at the page you 3 cite to, which is 270-0012? 4 A. 0012 is just simply a -- an overview, 5 maybe it's 112. It's 112, I believe. What 6 footnote is that, 5? Yeah. 7 Q. It should be 270-0012. 8 A. I'm sorry, I thought you said 0002. 9 Yes. Now I'm comfortable. 10 Q. Okay. And this is a FICO-generated 11 slide of a PowerPoint presentation, correct? 12 A. I believe that is correct. I cannot 13 say definitively that that is correct. 14 Q. In fact, it's branded with FICO, and, 15 then, at the top it says FICO's Point of View, 16 correct? 17 A. Correct. 18 Q. And so this FICO-generated PowerPoint 19 slide is what you are relying upon for this 20 statement that I read in the first paragraph of 23? 21 A. Correct. 22 MR. HINDERAKER: You meant first 23 sentence of 23. 24 MS. JANUS: Thank you. 25 BY MS. JANUS:</p>
<p>Page 115</p> <p>1 about its products, correct? 2 A. In isolation, yes. 3 (Whereupon, Deposition Exhibit No. 516 4 was marked for identification, and a copy is 5 attached and hereby made a part of this deposition.) 6 BY MS. JANUS: 7 Q. Showing you what's been marked as 8 Exhibit 516 -- 9 A. Sorry. Thank you. 10 Q. -- you cite to -- well, take a look at 11 516, and my preliminary question for you is, is 12 this the document that you cite to in paragraphs -- 13 or, I'm sorry, in footnotes 4 and 5? 14 Can you identify it from the Bates 15 label on the first page? 16 A. I agree that the Bates label is the 17 Bates label used in the footnote. 18 Q. Okay. And you cite to this document 19 as support for the statement that "Blaze Advisor 20 improves, automates, and connects organizational 21 decisions to enhance business performance through 22 the application of key technologies," correct? And 23 that's, I'm sorry -- 24 A. Is that number -- 25 Q. -- the first sentence of 23.</p>	<p>Page 117</p> <p>1 Q. Likewise, for the second sentence of 2 23, correct? 3 A. Correct. 4 (Whereupon, Deposition Exhibit No. 517 5 was marked for identification, and a copy is 6 attached and hereby made a part of this deposition.) 7 BY MS. JANUS: 8 Q. Paragraph 24, you rely on the document 9 that I've just marked as Exhibit 517, correct? 10 A. Only in part. 11 Q. What else do you rely upon for 12 paragraph 24? 13 A. My experience in managing the product 14 management functions of insurance companies, my 15 experience working and interfacing with the 16 actuarial department of insurance companies. The 17 statement dava "-- Data-driven analysis is applied 18 to insurance processes such as underwriting, claims 19 adjudication, and renewals" does not have a 20 footnote to it. 21 Q. Okay. So that's based on your 22 experience? 23 A. Correct. 24 Q. Okay. And then you say, "Decision 25 Management software such as Blaze Advisor automate,</p>

<p>1 improve, and connect decisions across an enterprise 2 enabling better decisions," correct? 3 A. I do say that, yes. 4 Q. And you -- 5 A. And I foot -- and I footnote that to 6 this document. 7 Q. Okay. Because you have never worked 8 with decision management software, correct? 9 A. Correct. I have worked with rules, 10 underwriting guidelines, underwriting criteria, but 11 not specifically business management software. 12 Q. And the document that you -- that you 13 cite to, which is marked as Exhibit 517, is a 14 general document relating to decision management, 15 correct? 16 A. I'm not sure I can say that 17 specifically. The document is a Chubb enterprise 18 piece describing why decision management is 19 important to the desired future plans and the 20 implementation of those plans inside of Defendant. 21 Q. Does the document specifically relate 22 to Blaze? 23 A. Uh, yes, I believe so. If you -- if 24 you look at 0011, I recognize many of these 25 projects as having Blaze functionality with them.</p>	<p>1 A. Yes, but if I can give an example. 2 One of the deployments of Blaze was -- the acronym 3 is ARP, automated renewal processing. That's a 4 process. It is a use of technology to execute a 5 process involving rules so that identified past the 6 rules renewals do not have to be touched by human 7 hands. 8 I have no reason to believe that this 9 document wasn't created because the Defendant had 10 acquired, licensed a software, and was now trying 11 to get the organization to understand the overall 12 power of the software. 13 Q. Well, my question is that according to 14 the document itself, decision management is defined 15 as not simply technology, correct? 16 A. Yes. 17 Q. Okay. Take a look at the Reasons for 18 Adoption page, which is the next page? 19 A. I'm there. 20 Q. This is the reasons for adoption of 21 decision management, correct? 22 A. I believe so. 23 Q. And nowhere in the reasons for 24 adoption is there a statement that the revenue of 25 the company will increase, correct?</p>
<p>Page 119</p> <p>1 Q. Okay. But there's no specific 2 reference to Blaze in the document? 3 A. There is, in fact, no specific 4 reference to Blaze as a software in the document 5 that I recall. Let me finish looking at the 6 document. 7 The last page has a specific reference 8 to Blaze, page -- page 0015. 9 Q. Okay. If you look at page 275-0004? 10 A. I am there. 11 Q. This is talking about what decision 12 management is, correct? 13 A. Yes. 14 Q. And the second bullet point under What 15 is it states, "Approach -- not necessarily only 16 technology, approach encapsulates processes, 17 methodology and internal capabilities," correct? 18 A. It does state that, yes. 19 Q. So decision management, according to 20 this document that you're relying upon, is not 21 simply about Blaze, according to the document, 22 correct? 23 A. I disagree with that. 24 Q. The document states that it's not 25 necessarily only technology, correct?</p>	<p>Page 121</p> <p>1 A. That is correct. It is not 2 specifically stated. 3 Q. Nowhere in the document under Reasons 4 for Adoption is there a statement that the profits 5 of the company will increase, correct? 6 A. Again, correct. I simply point out 7 that this is -- if you go to the opening slide, 8 0001 -- 9 Q. You've answered my question. 10 MR. HINDERAKER: You may finish your 11 answer. 12 THE WITNESS: Thank you. 13 This is a presentation relative to 14 enterprise architecture. I would not expect those 15 kind of statements to be in the enterprise 16 architecture. This is relating to deploying the 17 Blaze Advisor software inside of the various 18 servers, systems, databases, et cetera, et cetera, 19 for the client. 20 BY MS. JANUS: 21 Q. You've answered the question. Thank 22 you. 23 You wouldn't expect those types of 24 issues to be mentioned in a document like this, 25 because the use of the software was not measured in</p>

<p>1 consistency and greater agility as efficiencies?</p> <p>2 MR. HINDERAKER: Objection, asked and</p> <p>3 answered.</p> <p>4 THE WITNESS: The document does state</p> <p>5 that those things come from the efficiency of</p> <p>6 automation.</p> <p>7 BY MS. JANUS:</p> <p>8 Q. Is it fair to say that the -- in your</p> <p>9 opinion, the value that Blaze provides to a company</p> <p>10 is realized through efficiencies?</p> <p>11 A. Absolutely not.</p> <p>12 Q. Well, the values that you've</p> <p>13 identified here you are referring to as efficiencies,</p> <p>14 correct?</p> <p>15 A. Automation makes speed improve.</p> <p>16 Improved speed increases the probability that you</p> <p>17 will have opportunities to quote, that you will</p> <p>18 convert quotes, and that you will then execute the</p> <p>19 book -- the bind and the book and the issue part of</p> <p>20 the process. Increased precision and consistency</p> <p>21 insures, a) that you eliminate variability from the</p> <p>22 decisions, the judgment in underwriters, and</p> <p>23 increased precision improves the probability that</p> <p>24 your adequate accurate premium is sellable in the</p> <p>25 marketplace.</p>	<p>1 A. I believe not. I can go back and</p> <p>2 check very rapidly.</p> <p>3 Q. That's your word?</p> <p>4 A. I'm sorry?</p> <p>5 Q. That's your word, efficiencies?</p> <p>6 A. I chose to write that, yes.</p> <p>7 Q. Okay.</p> <p>8 A. Twelve.</p> <p>9 Q. All right. The next sentence of</p> <p>10 paragraph 29 says the "Use of Blaze Advisor enables</p> <p>11 an insurance company to increase the volume and</p> <p>12 accuracy of transactions in an efficient manner,"</p> <p>13 correct?</p> <p>14 A. It does.</p> <p>15 Q. Again, you're referring to the</p> <p>16 efficiencies that you opine are gained from using</p> <p>17 Blaze Advisor, correct?</p> <p>18 MR. HINDERAKER: Objection,</p> <p>19 misstatement.</p> <p>20 THE WITNESS: In isolation, that</p> <p>21 sentence does, in fact, reference efficiency.</p> <p>22 Efficiency is one of the three components that I</p> <p>23 articulate in my report.</p> <p>24 BY MS. JANUS:</p> <p>25 Q. Efficiency is the -- in your opinion,</p>
<p>Page 131</p> <p>1 Does automation help accomplish all of</p> <p>2 those things? Yes, but the result -- that's a --</p> <p>3 that's a -- that's a cause. I look at cause and</p> <p>4 effect. That's a cause. The effect is higher</p> <p>5 quote volume, more converted quotes, better price</p> <p>6 point.</p> <p>7 Q. Through efficiencies?</p> <p>8 A. Through deployment of automation.</p> <p>9 Q. Which you've said here is an</p> <p>10 efficiency, correct, in paragraph 29?</p> <p>11 MR. HINDERAKER: Objection, takes</p> <p>12 the -- takes the paragraph out of context.</p> <p>13 THE WITNESS: Do I have that artifact</p> <p>14 in front of me?</p> <p>15 BY MS. JANUS:</p> <p>16 Q. Yes. It's Exhibit 516.</p> <p>17 A. Thank you. Ah, excellent. Thank you.</p> <p>18 Q. So if you look at the site that you</p> <p>19 use in that for that sentence, which is in</p> <p>20 paragraph 516270-0012, this is, again, the FICO</p> <p>21 PowerPoint that -- slide that we've referred to</p> <p>22 earlier, correct?</p> <p>23 A. 270 is that is correct.</p> <p>24 Q. Okay. And this slide doesn't mention</p> <p>25 the word efficiencies, correct?</p>	<p>Page 133</p> <p>1 the value that Blaze offers to Federal, correct?</p> <p>2 A. Incorrect.</p> <p>3 Q. But you believe it is one of the</p> <p>4 aspects of value offered?</p> <p>5 A. I offer three values in my report.</p> <p>6 One is to revenue, one is to cost of raw materials,</p> <p>7 one is to expense. Efficiency does, in fact,</p> <p>8 impact expense.</p> <p>9 Q. Okay.</p> <p>10 A. But that is one of three values I</p> <p>11 articulate.</p> <p>12 Q. All right. So you -- In the next</p> <p>13 sentence of paragraph 29 you state, "Blaze Advisor</p> <p>14 contributes to the increase in volume and accuracy</p> <p>15 of transactions, which in turn contributes to Chubb</p> <p>16 revenue," correct?</p> <p>17 A. I do state that, yes.</p> <p>18 Q. All right. So that's the revenue</p> <p>19 component of your conclusion?</p> <p>20 A. In isolation on that page, yes. In</p> <p>21 isolation in that sentence, yes. That is the</p> <p>22 beginning of my -- beginning is probably the wrong</p> <p>23 word. That is a contribution to my argument that</p> <p>24 Blaze Advisor improves the quote, bind, book, issue</p> <p>25 process speed, which influences revenue.</p> <p>Page 134</p>

1 Q. Okay. And so let's talk about the
2 speed. So your first bullet point is "Increasing
3 speed of response to quote requests," correct?
4 A. **That is correct.**
5 Q. How did you conclude that Federal
6 increased the speed of response to quote requests?
7 A. I did not conclude that Federal
8 increased that. I concluded that inside of the
9 approximately 1,000 insurance companies that
10 transact property casualty business, they are all
11 looking to do things faster, and it's widely
12 recognized that responding to quotes faster
13 increases quote conversion.
14 Q. Okay. Do you know whether Blaze
15 increased the speed of response to quote requests
16 in Federal?
17 A. I performed no quantitative analysis
18 in this process, no. I do not know.
19 Q. The next bullet point is "Increasing"
20 the "speed of making renewal offers," correct?
21 A. **Correct.**
22 Q. How did you conclude -- or I'm -- Did
23 you conclude that Federal increased the speed of
24 making renewal offers because of its use of Blaze?
25 A. I did no qualitative research or

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1 Q. Okay. But you don't know whether
2 there was an actual increase in speed at Federal in
3 which new products were introduced to the market,
4 correct?
5 A. **Correct, within the caveat of the**
6 **artifacts do state -- and today, in this specific**
7 **instance, I'm thinking about the premium**
8 **modernization project, that they were able to**
9 **acquire a, I believe, \$20 million book of business**
10 **through the acquisition process from Star Aviation,**
11 **and they needed Blaze Advisor execution of the**
12 **premium modernization product to be able to book**
13 **that premium.**
14 Q. Premium -- premium modernization
15 product?
16 A. **Yes. It's one of the non-policy admin**
17 **deployments of Blaze Advisor inside of defendant.**
18 Q. And this is a document that you cite
19 in support of your conclusion that there's
20 increasing speed?
21 A. **I can't speak to that. I -- I would**
22 **have to go back and check the documents.**
23 Q. Is it fair to say that you simply
24 don't know whether there was increased speed at
25 Federal in which new products were introduced due

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1 definition inside of my report.
2 MR. HINDERAKER: Did you mean
3 quantitative or qualitative?
4 THE WITNESS: I'm sorry. Quali --
5 quanti -- I didn't -- I did zero quantitative
6 research. I -- I didn't have any numbers.
7 BY MS. JANUS:
8 Q. So you just don't know whether Federal
9 increased the speed of making renewal offers
10 because of its use of Blaze, correct?
11 A. **That is correct.**
12 Q. The next bullet is "Increasing" the
13 "speed at which new products can be introduced, due
14 to Blaze Advisor's agility," correct?
15 A. **Correct.**
16 Q. Same question. I take it you do not
17 know whether Federal increased the speed at which
18 new products were introduced due to Blaze Advisor,
19 correct?
20 A. **Correct, with the caveat of there is**
21 **one artifact, there is one point made in multiple**
22 **artifacts that they improved the speed of**
23 **implementing rules, either new rules or modifications**
24 **to existing rules, from three to six months to two**
25 **to three days.**

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1 to Blaze Advisor?
2 A. **It is fair to say that I don't**
3 **remember the number of the artifacts. So I can't**
4 **tell you where the cit -- whether the citations are**
5 **related to that or something else.**
6 Q. So you just don't know?
7 A. **Correct.**
8 Q. The next bullet is "Increasing speed
9 at which product changes involving product and
10 underwriting rules can be implemented, due to Blaze
11 Advisor's agility," correct?
12 A. **Correct.**
13 Q. Is it true that you do not know
14 whether Federal increased the speed at which
15 product changes involving product underwriting
16 rules can be implemented due to Blaze Advisor's
17 agility?
18 A. **I made no quantitative analysis in any**
19 **of the deployments. There are artifacts that refer**
20 **to writing rules faster and implementing regulatory**
21 **changes in less time period.**
22 Q. But you do not know whether Federal
23 actually increased the speed at which product
24 changes involving product and underwriting rules
25 were implemented?

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1 A. Agree.	1 not know whether Federal increased the ease of use
2 Q. The next bullet is "Increasing" the	2 for agents and brokers by way of those three bullet
3 "speed to market by ensuring compliance with	3 points underneath?
4 corporate and statutory reporting requirements,"	4 A. You are correct.
5 correct?	5 MR. HINDERAKER: Are you done with
6 A. That is correct.	6 this -- are you done with this line?
7 Q. Is it true that you do not know	7 MS. JANUS: Sure.
8 whether Federal increased its speed to market by	8 MR. HINDERAKER: I mean, I don't
9 ensuring compliance with corporate and statutory	9 want --
10 reporting requirements?	10 MS. JANUS: Yeah, no.
11 A. Yes.	11 MR. HINDERAKER: I don't want to take
12 Q. The next bullet is "Increasing the	12 a break if you're in the midst of --
13 precision and accuracy of a quote, thereby	13 MS. JANUS: A break is fine.
14 increasing the" profitability of the quote offer	14 THE VIDEOGRAPHER: Going off the
15 will be --	15 record. The time is 1:28 p.m.
16 A. Probability.	16 (Break from 1:28 to 1:37.)
17 Q. I'm sorry. Thank you. "...the	17 THE VIDEOGRAPHER: We're back on the
18 probability the quote offer will be accepted"?	18 record. The time is 1:37 p.m.
19 A. Agree.	19 BY MS. JANUS:
20 Q. And is it true that you do not know	20 Q. Moving on in your report to page 13.
21 whether Federal increased the precision and	21 A. I'm there.
22 accuracy of its quotes, thereby increasing the	22 (Whereupon, Deposition Exhibit No. 519
23 probability of the quote offer was accepted?	23 was marked for identification, and a copy is
24 A. Yes.	24 attached and hereby made a part of this deposition.)
25 Q. The next bullet is "Increasing the	25 BY MS. JANUS:

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1 precision and adequacy of a renewal offer, thereby	1 Q. Showing you what's been marked as
2 increasing the probability" that "the renewal...will	2 Exhibit 519, this is the document that you rely
3 be accepted," correct?	3 upon for your conclusions in paragraph 30 of the
4 A. Correct.	4 report, correct?
5 Q. Is it true that you do not know	5 A. Yes.
6 whether Federal increased the precision and	6 Q. And this appears to be a draft of a
7 accurate -- adequacy of renewal offers, thereby	7 request -- RFI, correct, request for information?
8 increasing the probability the renewal offers would	8 A. Yes, although Chubb & Sons mixes their
9 be accepted?	9 nomenclature. They -- they refer to it both as an
10 A. I prefer the statement I do not have	10 RFP, a request for proposal, and an RFI, request
11 any quantitative information that Federal did or	11 for information.
12 did not increase the stated attributes.	12 Q. Okay.
13 Q. Okay.	13 A. But the fundamental answer is yes.
14 A. So --	14 Q. Okay. So this is the document that
15 Q. But -- and so I guess --	15 you've relied upon for your conclusion in
16 A. So -- so I think the answer to your	16 paragraph 30, correct?
17 question is yes.	17 A. Correct.
18 Q. Okay. You do not know?	18 Q. Do you know whether this is the final
19 A. I do not know.	19 RFI?
20 Q. The next bullet in "Increasing the	20 A. I do not. I know that this is the
21 ease of use for agents and brokers," and then you	21 artifact that I was provided.
22 list three ways in which the ease of use for agents	22 Q. Fair to say that the statements in the
23 and brokers is increased, correct?	23 RFI are forward-looking?
24 A. I do.	24 A. Fair to say that the statements in the
25 Q. And is it correct to say that you do	25 RFI are forward-looking in that Chubb & Sons offer

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<p>1 of the RFI were looking to increase their 2 functionality relative to the points in the RFI. 3 Q. It was an aspirational document? 4 A. I'm uncomfortable with the word 5 aspirational. Is a we're going to make a decision, 6 give me information so we can decide whether to 7 include you in the decision analysis or not. 8 Q. The document is not specific to Blaze, 9 correct? 10 A. That is correct, from the perspective 11 of they would have sent this document to multiple -- 12 pardon me, excuse me, multiple software providers 13 requesting those software providers provide them 14 information that they would take through a decision 15 management process to say I -- I -- I want to talk 16 to these people, that people. It's that kind of 17 document. It's not specific to Blaze, it's specific 18 to the decision about what software are we going to 19 license. 20 Q. In paragraph 31 -- 21 A. My document? 22 Q. Yes. 23 A. Okay. 24 Q. Of your report. 25 A. Thank you.</p>	<p>1 Q. Correct. 2 A. Yes. 3 Q. Okay. And that's a FICO marketing 4 PowerPoint slide, correct? 5 A. Correct. 6 Q. You do not cite to any facts to 7 support the statements you make in paragraph 32 of 8 your report, correct? 9 A. I'm sorry, your question is I do not 10 cite to anything? 11 Q. Correct. 12 A. That is correct. 13 Q. The next section of your report is 14 Chubb's Use of Blaze Advisor Contributes to Gross 15 Written Premium, correct? 16 A. Section VII, correct. 17 Q. In forming any of the opinions you 18 reached in this case, did you conduct a comparison 19 between the functionalities of Blaze compared to 20 other competing business rules management software? 21 A. In the preparing of my report, I 22 provided a qualitative value of automated 23 decisions. How Blaze fit into that, I did no 24 quantitative research at all, and I did not look at 25 any other potential decision management softwares.</p>
<p>Page 143</p> <p>1 Q. You -- the last sentence states, 2 "Chubb needed automated decision management software 3 that would allow Chubb to scale its business so it 4 could take on...new revenue streams," correct? 5 A. Correct. 6 Q. And you cite to the deposition of 7 Mr. Wachs, correct? 8 A. That is correct. 9 Q. And Mr. Wachs was a FICO employee, 10 correct? 11 A. Correct. 12 Q. Mr. Wachs was employed at FICO through 13 the end of 2008, correct? 14 A. I cannot speak to that. 15 Q. Okay. You don't recall his deposition 16 testimony about the length of his employment at 17 FICO? 18 A. No. 19 Q. And you also cite to the document 20 we've marked as Exhibit 516, correct? 21 A. Six -- nineteen, sixteen, sixteen? I 22 do. 23 Q. And, again, that is you cite to 24 page 16 of Exhibit 516? 25 A. I'm sorry, page 16?</p>	<p>Page 145</p> <p>1 Q. Do you know whether there are 2 competing decision management softwares that 3 Federal could have used instead of Blaze that would 4 provide the same functionality Blaze does? 5 A. I can say yes to that inside of the 6 caveat that the RFI I'm sure went to more than 7 FICO, because if it didn't there would have been no 8 purpose for the RFI. 9 Q. Okay. Other than the RFI going to 10 other software providers, do you have any knowledge 11 of the functionality that any competing rules 12 management softwares provide? 13 A. I cite to the Forrester Research 14 industry analysts group's new wave of 15 decision-making that articulates, I believe, but 16 won't swear to, ten different providers of decision 17 management software. 18 Q. So it's fair to say that Federal could 19 use another decision management software to perform 20 the functions that Blaze performs at this point? 21 A. I prefer to say that it is fair to say 22 that any of the software providers of decision 23 management software that responded to the RFI 24 could, in fact, have won that request for proposal, 25 request for information, but the fact remains FICO</p>

<p>1 did. And I don't -- I only know tangentially the 2 name of one of the other groups, and if you ask me 3 to quote it, I couldn't. It's in an artifact. 4 But -- but at the end of the day, there were 5 multiple companies requested, FICO won the bid. 6 Excuse me. 7 Q. Have you used any of the applications 8 that Federal has that implement Blaze? 9 A. I have not. 10 Q. All right. The first application that 11 you discuss on page 14 is CSI Express, correct? 12 A. Correct. 13 Q. You're aware that CSI Express is a 14 large application within Federal, correct? 15 A. Correct. 16 Q. And -- 17 A. With its primary responsibility being 18 policy administration. 19 Q. And Blaze is one aspect of that 20 application, correct? 21 A. Yes. Blaze is the automated 22 decision-making part of that application. 23 Q. Can you explain where in the process 24 of the CSI Express application Blaze is used? 25 A. At a 100,000-foot level, CSI Express</p>	<p>1 protection of the capital. 2 Q. And how do you have that understanding? 3 A. It's a combination of the artifacts 4 and years of experience. So when I refer to 5 capital, I'm actually talking about the accuracy 6 and the precision of the price. 7 Q. Do you have an understanding of how 8 CSI Express is actually used within Federal? 9 A. My understanding is that CSI Express 10 is the policy administration system. It is going 11 to provide the functional capability to quote a 12 prospective policy or to quote an upcoming renewal. 13 It has the ability to make the underwriting 14 decision on acceptability or price point. It is 15 used to then make an offer of re -- of binding, and 16 if binding, passing information into the premium 17 booking process to book the policy, and then 18 sending a communication to some kind of fulfillment 19 center, which will produce paper sometimes called 20 an insurance policy. It will also send information 21 to the remittance processing so that a demand for 22 premium can take place. 23 Q. Would you characterize CSI Express as 24 a pretty complex application? 25 A. I would classify every single policy</p>
<p>Page 147</p> <p>1 deployment of Blaze has the definition of acceptable 2 and unacceptable policy risk characteristics as it 3 relates to appetite. In addition, CSI Express 4 through Blaze has a predictive analytics function 5 called profitability indicator, and in addition -- 6 so -- so you've got new business and you've got 7 renewals. In addition, CSI Express using Blaze 8 Advisor is contributing to the evaluation of the 9 risk characteristics for upcoming potential 10 renewals. 11 Q. Do you know specifically what 12 functions in CSI Express Blaze performs versus 13 functions that other technologies and programming 14 performs? 15 A. Could you define what functions are 16 for me, please? 17 Q. My question is -- I guess you can 18 interpret it the way you would. 19 A. So, for -- so, for instance, rating is 20 a function, so price -- you know, three times two 21 is six. Okay. Blaze is looking, where deployed, 22 at the risk characteristics of the submitted 23 application. It is looking at the risk 24 characteristics of the renewal, it is assessing 25 those as it relates to what I refer to as the</p>	<p>1 administration system I've ever seen as a complex 2 system. 3 Q. Do you have an understanding of the 4 complexities of CSI Express? 5 A. Could I request that you give me 6 something to work with other than understanding? 7 Q. Just do you have any knowledge of the 8 complexities of CSI Express? 9 A. I have looked at multiple policy 10 administration systems for each of the market 11 segments I described, the commercial specialty, 12 commercial main street, personal lines. Have I 13 looked at CSI Express specifically? No. But I 14 will -- I will tell you that all of those systems 15 carry a level of complexity to them. 16 Q. And, again, we've said before, but 17 Blaze is just one small component of that complex 18 policy administration system, correct? 19 A. And I reiterate, if you are using a 20 denominator of number of softwares that contribute 21 to CSI Express, the percentage will be small, that 22 is articulated by Mr. McCarter's report. However, 23 in -- I would never in any way, shape or form 24 describe the role Blaze plays as small as it 25 relates to improving the speed, making ease of</p>

<p>1 doing business, and establishing the adequate 2 accurate price point. You can't call those in the 3 insurance process small, because the rate, the 4 quote, the bind, the book, and the issue processes 5 do not work unless that's done.</p> <p>6 Q. How have you attributed speed to Blaze 7 specifically within the complex application that is 8 CSI Express?</p> <p>9 A. If -- I have done no level of 10 quantitative work. So you're asking me to provide 11 you my thoughts on did it make it better by one 12 day, by two days, by three days? I can't provide 13 you that. That was out of the scope of my work.</p> <p>14 Q. I take it, then, you also don't know 15 whether Blaze specifically versus some other 16 technology within CSI Express contributes to the 17 speed that you've opined CSI Express delivers, 18 correct?</p> <p>19 A. If I took the architectural footprint, 20 which you've referenced several times, there are -- 21 pardon me -- components of the architectural process 22 that contribute to that rate. A -- a system does 23 two times three much faster than a human being does 24 two times three and with an incredibly higher 25 accuracy rate. But you -- you -- you do not --</p>	<p>1 attribute to CSI Express results from the fact that 2 Blaze Advisor is in CSI Express or from other 3 technologies and functionalities that are in CSI 4 Express, correct?</p> <p>5 A. That is correct. I have done no --</p> <p>6 Q. You've answered the question.</p> <p>7 A. -- quanti --</p> <p>8 Q. Go ahead.</p> <p>9 MR. HINDERAKER: You may finish your 10 answer.</p> <p>11 THE WITNESS: I have repeatedly said I 12 did zero quantification assessment of this situation.</p> <p>13 BY MS. JANUS:</p> <p>14 Q. In fact, you do not know whether CSI 15 Express actually increased the speed of response to 16 requests for quote at Federal, correct?</p> <p>17 A. That is correct. That would require 18 data.</p> <p>19 Q. In your mind, would it be even 20 possible to measure the contribution that Blaze has 21 to the speed that you've discussed CSI Express 22 creating?</p> <p>23 A. Having had the privilege of giving 24 that question zero thought, I can't answer it.</p> <p>25 That --</p>
<p>1 it's a Rubik's Cube, as I said earlier. You don't 2 sit down and look at components of the software and 3 say this component makes this happen or that happen. 4 It performs a function.</p> <p>5 The functions that Blaze Advisor 6 specifically -- I would say -- if I were talking 7 about any of the ten, whose names I don't know or 8 remember, decision management systems that Forester 9 Research included in their report, all of those are 10 designed to improve the quote, bind, book, issue 11 process, which is critical to the accumulation of 12 written premium. If you quote and don't convert -- 13 and I don't know what these numbers are, but 14 Federal has a quote number coming in, I don't know 15 what that number is, Federal has a quote converted 16 to policy number, I don't know what that number is, 17 but there is a direct link between those three 18 items. You can talk to almost any insurance 19 executive, I quoted Mark Watson of Argo, a couple 20 of other people, about their view of the need to 21 make these kind of advancements in use of 22 technology to accelerate and execute the quote, 23 bind, book, issue process.</p> <p>24 Q. My question was, you did not do an 25 analysis to determine whether the speed that you</p>	<p>1 Q. So you --</p> <p>2 A. That --</p> <p>3 Q. -- just don't --</p> <p>4 A. That requires thought.</p> <p>5 Q. So you just don't know whether it 6 would be possible -- possible to measure that?</p> <p>7 MR. HINDERAKER: Misstates -- 8 objection, misstates the answer.</p> <p>9 BY MS. JANUS:</p> <p>10 Q. Is that correct?</p> <p>11 A. I have zero data and I have not spent 12 one minute thinking about how I would do that. 13 I -- I live in a world where most things are 14 possible. The question is what does it take to get 15 it done.</p> <p>16 (Whereupon, Deposition Exhibit No. 520 17 was marked for identification, and a copy is 18 attached and hereby made a part of this deposition.)</p> <p>19 BY MS. JANUS:</p> <p>20 Q. Showing you what's been marked as 21 Exhibit 520, this is the CSI Express component view 22 that was contained in Mr. McCarter's report.</p> <p>23 A. Yes, from Mr. McCarter's report.</p> <p>24 Q. Do you agree with me based on this 25 component view that CSI Express is a complex</p>

<p>1 application involving many technologies?</p> <p>2 A. Yes.</p> <p>3 Q. Do you know what all of the various</p> <p>4 components that are depicted in this chart do in</p> <p>5 CSI Express?</p> <p>6 A. All?</p> <p>7 Q. Yes.</p> <p>8 A. No. Some of the -- some of their</p> <p>9 acronyms, I don't even know what they mean.</p> <p>10 Q. Do you know what each of these</p> <p>11 components contributes to what you have opined are</p> <p>12 the benefits of CSI Express?</p> <p>13 A. I'm not sure I opined that C -- that</p> <p>14 anything other than Blaze Advisor provided benefits</p> <p>15 to CIS. So as relates to this current state</p> <p>16 exhibit, CI -- Blaze Advisor inside of CIS Express</p> <p>17 contributes to the benefits I articulate, but I</p> <p>18 can't speak to any of the other systems.</p> <p>19 I can -- I can tell you generally</p> <p>20 speaking in the insurance industry what an under</p> <p>21 man -- underwriting manager workbench does, I can</p> <p>22 tell you what product figuration does, but I can't</p> <p>23 answer the specific question you're asking.</p> <p>24 Q. Turning back to your report, in</p> <p>25 paragraph 36?</p>	<p>1 contributes to revenue on general goals of</p> <p>2 insurance companies in the industry?</p> <p>3 A. Not exactly. I am basing my opinion</p> <p>4 on the fact that every insurance company that I've</p> <p>5 ever talked with is focused on that quote, bind,</p> <p>6 book, issue process for new business and for</p> <p>7 renewals, and that Blaze Advisor contributes to</p> <p>8 getting responses inside of the quote process faster,</p> <p>9 contributes to getting accurate adequate premium</p> <p>10 faster, it contributes to easing the burden on the</p> <p>11 independent agent or broker, meaning ease of doing</p> <p>12 business, and it contributes to the relative</p> <p>13 adequacy and acc -- attaining the adequate and</p> <p>14 accurate premium.</p> <p>15 Q. And -- but you did not actually</p> <p>16 analyze whether it did contribute to those things</p> <p>17 you've just listed at Federal, correct?</p> <p>18 A. I did no quantification, that is</p> <p>19 correct.</p> <p>20 Q. Do you know whether Blaze Advisor</p> <p>21 actually increased or decreased the revenues of</p> <p>22 Federal?</p> <p>23 A. I have done no quantification.</p> <p>24 Q. I take it you don't know whether Blaze</p> <p>25 Advisor actually contributed to an increase in</p>
<p>Page 155</p> <p>1 A. I'm there, I'm there.</p> <p>2 Q. You state that "CSI eXPRESS's use of</p> <p>3 Blaze Advisor contributes to revenue by increasing</p> <p>4 the speed of response to a request for a quote</p> <p>5 and...speed of making renewal offers," correct?</p> <p>6 A. I do.</p> <p>7 Q. And we've discussed that you don't</p> <p>8 actually know whether the speed of response was</p> <p>9 increased, correct -- at Federal, I should say?</p> <p>10 A. I have no quantification.</p> <p>11 Q. You don't know whether the speed of</p> <p>12 making renewal offers was increased, correct?</p> <p>13 A. I have no quantification.</p> <p>14 Q. How have you concluded that CSI</p> <p>15 Express's use of Blaze Advisor contributes to</p> <p>16 revenue?</p> <p>17 A. So I go back to my three original</p> <p>18 points. There -- insurance companies try to improve</p> <p>19 their positions in getting more quotes, converting</p> <p>20 more quotes, hanging on to more renewals through</p> <p>21 three fundamental strategies: speed -- that's both</p> <p>22 speed of response and speed to market -- ease of</p> <p>23 doing business, and adequate accurate pricing.</p> <p>24 Q. Okay. And so you're basing your</p> <p>25 opinion that CSI Express's use of Blaze Advisor</p>	<p>Page 157</p> <p>1 revenue or profit at Federal, correct?</p> <p>2 A. That would require a quantification.</p> <p>3 I have done no quantification, no.</p> <p>4 Q. You do not cite to any authority in</p> <p>5 paragraph 36, correct?</p> <p>6 A. That is correct.</p> <p>7 Q. And --</p> <p>8 A. So -- so when I don't cite, you should</p> <p>9 assume that I am relying on 41 years and a lot of</p> <p>10 gray hair in this business.</p> <p>11 Q. So your opinion in paragraph 36 is</p> <p>12 based upon your experience in the industry?</p> <p>13 A. And conversations at industry</p> <p>14 conferences with other insurance executives, and</p> <p>15 conversations at industry conferences with software</p> <p>16 vendors.</p> <p>17 Q. Those are conversations you had in</p> <p>18 connection with authoring your report?</p> <p>19 A. No.</p> <p>20 Q. Are those conversations you had about</p> <p>21 Blaze Advisor?</p> <p>22 A. Conversations I had -- no. I --</p> <p>23 conversations I generally have making sure that I</p> <p>24 keep my mind aware of what's going on in the</p> <p>25 insurance industry. I have not discussed Blaze</p>

<p>1 Advisor with any other insurance or vendor personnel.</p> <p>2 Q. Are those conversations that you had</p> <p>3 about Federal or Chubb?</p> <p>4 A. No.</p> <p>5 Q. Paragraph 37 -- oh, one other question.</p> <p>6 In paragraph 36 you state, "CSI ePRESS's use of</p> <p>7 Blaze Advisor contributes to revenue," correct?</p> <p>8 A. I do.</p> <p>9 Q. Do you mean to say CSI Express</p> <p>10 contributes to revenue?</p> <p>11 A. I do not.</p> <p>12 Q. How does CSI Express's use of Blaze</p> <p>13 Advisor contribute to revenue?</p> <p>14 A. This goes back to the quote, bind,</p> <p>15 book, issue process for a new business. Okay.</p> <p>16 CSI Express uses Blaze Advisor to make decisions on</p> <p>17 what are acceptable risk attributes as it respects</p> <p>18 Federal's risk appetite. Blaze Advisor contributes</p> <p>19 to the adequate -- the calculation of adequate</p> <p>20 accurate premium, and Blaze Advisor where deployed</p> <p>21 this way says, yes, we'll write this policy, no,</p> <p>22 we'll write this policy, and sends the instructions</p> <p>23 for a quote letter to go out. There is a direct</p> <p>24 connection between Blaze Advisor's operation inside</p> <p>25 of CSI Express and the quote, bind, book, issue</p>	<p>1 executed by their people, but in some instances</p> <p>2 they are executed by an automated decision system,</p> <p>3 in this case, Blaze Advisor.</p> <p>4 Q. You said that the effect is an</p> <p>5 acceleration and less effort. Those are</p> <p>6 efficiencies, you'd agree with me on that, right?</p> <p>7 A. I agree that less effort is an</p> <p>8 efficiency, but I don't think efficiency and impact</p> <p>9 to revenue are unrelated. In fact, I think they're</p> <p>10 very related.</p> <p>11 Q. Paragraph 37, once again, you do not</p> <p>12 cite to any authority for the conclusions you reach</p> <p>13 in that paragraph, correct?</p> <p>14 A. That is correct.</p> <p>15 Q. Is that paragraph based solely on your</p> <p>16 experience in the industry?</p> <p>17 A. And the conversations I have had with</p> <p>18 other insurance executives and with software vendors</p> <p>19 about their sales and marketing approach for the</p> <p>20 industry.</p> <p>21 Q. When did you have those conversations?</p> <p>22 A. Pick a time across the last 20 years</p> <p>23 and you can plug that date in.</p> <p>24 Q. Okay. So how is that different from</p> <p>25 your experience in the insurance industry?</p>
<p>Page 159</p> <p>1 process of a property casualty insurance company.</p> <p>2 Q. And you say that it uses Blaze Advisor</p> <p>3 to make decisions, but those decisions are actually</p> <p>4 made using the rules that the -- that the company,</p> <p>5 Federal, has defined using its expertise, correct?</p> <p>6 A. I disagree with that statement. The</p> <p>7 decisions -- in my mind, there's a difference</p> <p>8 between the definition of the rule, transferring</p> <p>9 that rule into the technology, and, then, the</p> <p>10 execution of the rule.</p> <p>11 So as long as an automated decision</p> <p>12 system is executing that rule, which is Blaze</p> <p>13 Advisor, you are accelerating the process, you are</p> <p>14 requiring less effort on behalf of your underwriters</p> <p>15 and your agents, and you are approaching the best</p> <p>16 possible price point, the adequacy and accuracy of</p> <p>17 premium for the defined risk characteristics.</p> <p>18 Q. But you're using the rules that the</p> <p>19 business has generated through its expertise,</p> <p>20 correct?</p> <p>21 A. I agree that the rules are authored by</p> <p>22 the underwriting function of the company, they are</p> <p>23 not necessarily executed by the underwriting</p> <p>24 function of the company. In some instances inside</p> <p>25 of Chubb their underwriting rules are, in fact,</p>	<p>Page 161</p> <p>1 A. It's not.</p> <p>2 Q. Okay.</p> <p>3 A. But --</p> <p>4 Q. So those --</p> <p>5 A. But --</p> <p>6 Q. -- are conver -- sorry.</p> <p>7 A. But -- but the -- the statement my</p> <p>8 experience in the insurance industry apply --</p> <p>9 implies I am operating in isolation. I want the</p> <p>10 record to show, no, I -- I talk -- I attend the</p> <p>11 IA -- I have attended the ISA, I've attended the</p> <p>12 ACORD. I'm dropping a lot of things you don't</p> <p>13 understand. I'll be happy to explain them.</p> <p>14 But there are gatherings of the</p> <p>15 industry, and there are conversations that happen</p> <p>16 between executives of insurance industry, and I</p> <p>17 don't want that to be missed. I don't want the</p> <p>18 record to think that I am relying solely on the --</p> <p>19 the thought process of Bick Whitener. I'm talking</p> <p>20 to other people, not specifically about Blaze</p> <p>21 Advisor, not specifically about Federal, but about</p> <p>22 the insurance industry and the execution of our</p> <p>23 processes, including the quote, bind, book, issue</p> <p>24 process.</p> <p>25 Q. And those conversations were not</p>